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INTRABLOC

Anti-Hungarian Comments by Vatra Romaneasca Viewed

90CH0201A Bucharest ROMANIAI MAGYAR SZO
in Hungarian 8 Jun 90 p 3

[Article by Karoly Ferencz: "Marosvasarhely and the Huns; One Billion Dollars Annually for Anti-Romanian Propaganda—Carolina Illica Believes"]

[Text] The Temes [Timis] County subsidiary organization of the Vatra Romaneasca cultural association held its grand meeting last Thursday. The Aula Magna, the most elegant room of the university of sciences at the county seat, housed the meeting. Well, it was no small task to sit through the marathon meeting that lasted five and a half hours, but to listen to it was especially no small task, particularly when things said were not exactly pleasing to the Hungarian ear.

Incidentally, the meeting began with a stunning turn of events. Immediately following the Our Father, Bishop Ciubotea gave his blessing to the Vatra Romaneasca cultural association. Thereafter the meeting was conducted by university lecturer Dr. Radu Motica. He reported the agenda items. Comments, most of which turned out to be anti-Hungarian attacks, proved to be more interesting. We will present a bouquet of these comments to our readers.

Engineer Valeriu Tabara described the Vatra Romaneasca Marosvasarhely [Tirgu Mures] conference as the forum for Romanian intellectual uplift, and urged that a comprehensive photo album be published, one that shows the horrors of the anti-Romanian pogroms (?) that go on in Transylvania. At the same time, he called upon those present never to forget that Vatra Romaneasca is actually a stabilizing factor in the framework of a unified Romanian state, that it is essentially an institution of a defensive character, which regards the fostering of the Romanian language and culture as its basic goal. But the engineer was muzzled by a gentlemen who forgot to state his name: Vatra Romaneasca is not an organization for self-defense, he claimed. Incidentally, until 1 May this gentleman exerted his meritorious activities as chairman of the Hargita [Harghita] County subsidiary of the Vatra Romaneasca. "Do you want it to happen, ladies and gentlemen, that the Hungarians outgrow us and that we should awaken after it is too late," he asked. He felt that in order to prevent a situation like this, restoration of Hungarian language higher education that would offend the national consciousness of the Romanian people should be prevented, using all our strength. Unfortunately, even at present (!) Romanian teachers are being driven away from Hargita and Kovaszna [Covasna] Counties; in recent months only 160 Romanian nationality teachers and more than 400 professionals have been forced to leave Haromszek [Romanian name unknown]. And that is not all. People who live there have arbitrarily assigned Hungarian names to their schools, and signs

designating localities bear only the names of cities and villages in Hungarian, and horrors! Hungarian county educational institutions do not shrink from issuing diplomas in the Hungarian language (?)... .

Retired lawyer Ioan Pop reported that during his visit to Marosvasarhely he found a simple repetition of the attack by the Huns. This can be seen from the tragic reality that about 100 Romanians were crippled for the rest of their lives only because they dared to use their native language in their own homeland. He suggested that the time has come to let the whole world learn about the true history of the Romanian people, because that would show the reality: We also defended the Hungarians, they did not defend us, and incidentally, the Hungarians owe their entire culture and civilization to the Romanians, and to no one else.

Engineer Dr. Radu Paiusan picked up on the statement concerning the defensive character of the association. Amid suggestive smiles he announced that one need not take that characterization too seriously because it should be clear to everyone that offense is the best defense.

Wounded war veteran Ion Mane spiced his statement with well timed deprecatory remarks about Hungarians when he announced that he was present at Laszlo Tokes' house when the Romanian corn porridge exploded (?). Since Vatra is the inner sanctum of Romanian spirituality, the intentions and goals of the association should be publicized more effectively in educational institutions, ranging from nursery schools to academies.

University lecturer Ioan Avram was next to comment. He said that without an exception, Hungarian language mass information media in the home country systematically misinform the public, and the events at the seat of Maros [Mures] County took place this way. He is familiar with the Hungarian language because he is from Nagyvarad [Oradea]. Thanks to one of his students, he was able to attend the first congress of the Democratic Association of Hungarians in Romania [RMDSZ] for a day and a half. At the congress the RMDSZ severely deprecated the Romanian language and the schools, Romanians in general. He asked why the nationalities media did not report this fact.

In his monologue Mr. Vasile Torecea expressed regrets about the fact that great pressure is being exerted on Romania both from the East and the West, thanks primarily to Hungarian propaganda abroad. He felt outraged about Romanians being treated as a national minority in their own country. This may be credited to the fact that there is a very large number of Hungarian language newspapers in Romania financed from abroad, which deprecates in a stunning coarse tone of voice and with endurance the descendants of the Dacian Roman people. Precisely for this reason Romanians must unite, and the future weekly and monthly publications of the Temes [Timis] County subsidiary must be translated into languages most widely used in the world by all means.

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Retired teacher Angela Potra said that she was convinced about the fact that after 22 December 1989 the Hungarians wanted to grab hold of Transylvania instantly, but they did not succeed in this. "But my dear brothers and sisters," the teacher said, "let us not persuade ourselves that they will ever relinquish this claim. A real threat presented by Hungary continues to exist. For this reason it is the honorable duty of the Vatra to strengthen the national consciousness of Romanians and to protect the integrity of the [Romanian] homeland." Other than that, she could not understand why Hungarians do not want to learn the Romanian language, and where all this hatred of Romanians came from. She will ask Parliament to include a provision in the new constitution which makes the learning of the Romanian language mandatory for everyone, and also that persons who urged and implemented the separation of bilingual schools be punished in an exemplary fashion.

Military physician Iulian Blaj continued this line of thought. He would recommend to Parliament that henceforth Hungarians not be allowed to study in their native language because there are enough newspapers, books, theaters, and philharmonies (!) [as published] available. Aside from that he has available specific documents which eminently prove the anti-Romanian atrocities. These documents should by all means be published in Romania and abroad, so that the world may learn about the truth in Romania.

Following this highly popular statement laboratory technician Aurelian Urzica reported in a dramatic tone of voice that Hungary has regularly liquidated the Romanian minority in that country. No one should try to deny to her and to the world that at least a half a million strong Romanian ethnic minority lives in that neighboring country, a minority—horrors!—which has only a single lyceum using the native tongue. Accordingly, the Vatra Romaneasca must unite and help the awakening of the national consciousness of Romanians in Hungary. In this way the Hungarian government could be placed in an unpleasant situation, with absolute certainty.

Dr. Ion Coja followed. He made an outright announcement stating that anti-Romanian propaganda tries to persuade Hungarians in Romania not to learn the language of the state in which they live and work. Is it any wonder then that after Budapest, Bucharest has become the second largest center for manifestations expressing hatred of Romanians? The Vatra Romaneasca senses the impotence of the government, and also the fact that in the fierce struggle for power everyone except the Hungarians has lost their heads. Only in this way could it happen that the RMDSZ finished second in the elections. This is more than enough to raise concern.

The absurdity of absurdities, however, is tied to lady Carolina Illica's name. On that day [31 May] she published in the newspaper TINERETUL her small anti-Hungarian article to raise one's blood pressure. She reported the contents of the article for the benefit of those who had difficulty understanding her message. To

prove how well she is informed she stated that Hungary spends about \$1 billion annually on anti-Romanian propaganda (is this how the more than \$20 billion indebtedness of our neighbors was incurred?), and that on the occasion of the 70th anniversary of the Trianon Peace Treaty no fewer than 63 expressly anti-Romanian publications saw the light of day. We were also able to learn that the overwhelming majority of the authors of the Temesvar Proclamations are of Hungarian origin (!). Incidentally, according to Illica, this fact is eloquently proven by Section 11 providing for autonomy. Thereafter Illica conveyed the idea that the date on which the RMDSZ held its Sepsiszentgyorgy [Sfintu Gheorghe] conference coincided exactly with the anniversary day of Trianon is no coincidence. Accordingly, we must recognize that our country, and especially Transylvania, continue to be the subjects of a huge threat. Unfortunately, she noted, in the United States one becomes convinced that the Americans do not view us favorably, because ... also there we find a great number of senators of Hungarian origin, and they actually have the impression that Laszlo Tokes caused the revolution single handedly. This is an obvious disgraceful lie. Father Borza heaped another shovel of [dirt] on what lady Illica had to say: He objected to the fact that Laszlo Tokes dared to proclaim himself the hero of the revolution. The outbreak of the revolution and the Tokes case coincided by accident, according to the priest who preaches tolerance and the love of Christ.

Well, what could we add to all this? Nothing, to so many absurdities, bias, and blindness.

Ethnic Hungarians Seen Fearful of Romanian Government

*90CH0201B Bucharest ROMANIAI MAGYAR SZO
in Hungarian 8 Jun 90 p 2*

[Article by Gyozo Roman: "People Are Scared"]

[Text] People are scared—once again they are scared.

My classmate of a long time ago is doing everything he can to leave the country. "Are you sure there will be no second Marosvasarhely [Tirgu Mures]?" he asks in return to my question of why he does not stay in Romania. "Vatra still exists, Vatra may not even be criticized, those in power launch an instant attack. The power that was capable of producing the most anti-nationalities education law of all times. It pretends as if it permitted Hungarian children to also learn the Hungarian language, as a matter of privilege. Also—you understand? I must leave this place!" And he leaves.

The station: the Northern railroad terminal. Swarming, milling people go back and forth. My old acquaintance arrives. We are on the street already, but he is still silent. After a while he asks: "Did the potentates of the dictatorship also return to power in this place?" He looks around several times before continuing: "Wise people keep quiet at our place. The same people as before issue commands. Even their style is beginning to resemble last

year's style, we are virtually expecting the doorbell to ring." He does not say who would ring the doorbell, but why should he? There is no need for that. We know. "Look at the members of the government. During the dictatorship they sat behind padded doors. Do you believe that anything could change as long as they hold on to governmental power? I fear not." And he actually experiences fear....

I am listening to witness testimony during the trial of Andruța Nicolae Ceaușescu. One of my colleagues reminisces. He is a journalist. On 21 December he was beaten at University Square until his blood flowed. He escaped, but was hospitalized for weeks. "I pondered for quite some time whether I should testify as a witness. I still do not know whether I did the right thing by coming here. Those who were shooting, hitting, beating, and killing at University Square are still free. It is dangerous to testify as a witness nowadays, it is far more dangerous than demonstrating." He seems to be saying these things to himself, but so that I can hear what he says. In court he swears to tell the truth and nothing but the truth. "Who has witnessed all that happened to you," the chief judge inquires. Following a brief pause the answer is given. "Several people—my friends, acquaintances, and fellow [human beings] suffering the same fate. But I am unable to name these people because even this morning they said that they did not want to testify as witnesses."

Words clash. Five months after the revolution people do not dare to tell the truth. Not even the bravest ones...

RMDSZ Protests Romanian Education Policy
*90CH0201C Bucharest ROMANIAI MAGYAR SZO
in Hungarian 7 Jun 90 p 1*

[Protest statements by the Hargita [Harghita] County organization of the RMDSZ [Democratic Association of Hungarians in Romania] and by the leadership of the Independent Hungarian Party]

[Text] "On behalf of its 150,000 members, and of about 300,000 Hungarian nationality citizens residing in Hargita County, the Hargita County organization of the Democratic Association of Hungarians in Romania [RMDSZ] registers its protest concerning government Determination No. 521/1990 of 12 May, which prescribes discriminating and restrictive measures to the detriment of minority education during academic (university) year 1990-91.

"These provisions contradict the ideals and goals of the December revolution and of democratizing Romania, and are in conflict with recognized and agreed upon international standards.

"Insofar as minority education is concerned, provisions of the Determination represent a step backward even as compared to Law No. 28/1978 concerning upbringing and education enacted during the dictatorship, because it specifies for minority conditions educational conditions which are worse than before.

"The Determination provides for the use of native language education as a contingency, and narrows the opportunities for further education by minority students in a discriminatory manner.

"During the decades of dictatorship our nationalities educational system reached the threshold of total liquidation. During the past five months we have barely accomplished anything on the path of returning native language education in its own right, yet the government already wants to stop the legitimate process which coincides with the country's fundamental interests. In a constitutional system which stands for the enforcement of legality, no requirement established by the government may conflict with constitutional provisions.

"It is well known that sections 17 and 22 of the Constitution specify that the state guarantees equal rights under the law to its citizens, and that the exercise of these rights must not be restricted on the basis of nationality, race, gender, or religion. The same prescriptions ensure the free use of the native language, and native language education at all levels.

"The assumption that with the overthrow of the Ceaușescu dictatorship the Romanian Constitution lost its force in its entirety would be fully mistaken; only those provisions lost force which cannot be reconciled with the goals of the Revolution, and with the development of a new, democratic system. By no means did provisions which sanction the fundamental rights of citizens lose force.

"The above-mentioned Determination shook the confidence of the Hungarian populace in our county regarding the future of Romanian democracy, and raises questions about the intention of the government to permanently depart from the denationalization [as published] policies of the dictatorship.

"We request that the Determination be changed to conform with the spirit of democracy, and that the individual and collective rights of minorities be respected in the field of education.

[Signed] "RMDSZ Hargita County Leadership"

We forwarded our protest to Romanian President Mr. Ion Iliescu, to Prime Minister Petre Roman, and to Education Minister Mihai Sora.

* * *

"The Independent Hungarian Party of Romania regards it as its duty to protest in the firmest of terms the government determination concerning the 1990-91 school year.

"This determination constitutes a grave infringement upon nationalities interests, primarily insofar as trade schools and higher education are concerned. The Determination rules out the possibility of native language teaching in these areas!

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"Teaching in the native language at all levels constitutes one of the most important collective rights of minorities, because only such education ensures in the long term the preservation and survival of the identity of all national communities.

"This Determination is not only unfair, it also stands in violation of law, because the government, having exceeded its executive power, is exercising arbitrary power by changing law No. 26 of 22 December 1978, thus violating the principles of legality and of the constitutional state.

"Beyond that, disregarding the opinions of interested minority parties and mass organizations, the Determination did not heed one of the most essential basic principles of democracy.

"All of this warrants the immediate repeal or suspension of the above-mentioned government determination, in due regard for the fact that with respect to this issue the Parliament which is scheduled to convene within a few days has the jurisdiction to create or amend laws.

[Signed] "Leadership of the Independent Hungarian Party

"Marosvasarhely [Tirgu Mures] 3 June 1990"

CZECHOSLOVAKIA**Exiled Journalist on His Experiences, Future Tasks**

90CH0165A Prague TVORBA in Czech 16 May 90 p 10

[Interview with journalist and author Karel Hvizdala by Zdenko Pavelka; place and date not given: "Risk Is Everything"—first paragraph is TVORBA introduction]

[Text] Karel Hvizdala (born in 1941); from 1966 with MLADÝ SVĚT; from 1971 with the Albatros Publishing House; since 1977 a free-lancer; since 1978 residing in the FRG. Journalist, author ("Never" [Infidelities]; "Dálkový vyslech Václava Havla" [Long-Distance Interrogation of Vaclav Havel; "České rozhovory ve světě" [Czech Conversations in the World]; the newly founded Art-servis publishing house is planning to publish his "Vyslech revolucionářů z listopadu 1989" [Interrogation of the November 1989 Revolutionaries] in the first issue of the BESTSELLER magazine).

[Pavelka] To the best of my knowledge, you are thus far one of the very few individuals who are talking about emigration in the past tense...

[Hvizdala] ... I regarded my emigration as a mission that is aimed at Bohemia, but that must be carried out abroad under unusual circumstances. Now those unusual circumstances are behind us, so I have to be here. There is nothing to discuss.

[Pavelka] People used to emigrate for good. Didn't it take you in the end by surprise that you could come back so soon?

[Hvizdala] It sure did. I had left for good, otherwise I would not be able to face it. One cannot live in a state of suspended animation.

[Pavelka] And your return to your native soil? To your country?

[Hvizdala] It occurred so suddenly, but only for me and not for Czechoslovakia. It took a very long time for every emigrant to build up his self-confidence and to assert his rights; over a period of twelve years he would free himself from many of those common conditional reflexes of fear. I came to realize that an official or a policeman is a person who gets paid from my taxes to maintain order around me. If he fails to do that, I can rap his knuckles. I drove back to Bohemia with Rias television crew that was filming me, naturally, with a permit. Then suddenly I saw those familiar caps, those familiar emblems, and when the first fellow who appeared before us yelled: "Where is your permit?" my knees began to shake; all those past twelve years seemed to have vanished, all mechanisms of fear came back. I felt like Ilo Soster, a painter whom I had befriended in Moscow. He used to laugh like crazy whenever he heard funereal dirges played on the radio. That was a habit acquired in the labor camp. When Stalin died, the same music was played there endlessly, over and over again. All prisoners were overjoyed and convulsed with laughter. He would never lose that feeling.

[Pavelka] Are you now back in the groove?

[Hvizdala] Oh no ... It was just a fleeting moment that passed immediately. I still am afraid but not for myself. I fear that we shall not be able to avoid making our traditional Czech mistakes and that we may not be able to get rid of our ridiculous nationalist frictions—now when all of Europe is getting unified... It really frightens me when I see that precisely at a time when our most important task is to find a method to restructure our economy, our best brains are quibbling about names, instead of discussing precise formulations of business laws and taxes.

[Pavelka] What do you think is the reason?

[Hvizdala] When you look at Europe from Manhattan, you can hardly see any borders and for many reasons all that seems to you a bit obsolete. Both the east and the west of Europe are still living in a state of nationalistic delusions from the 19th century, while America is an enormous melting pot of nations; its only problem is with its blacks and that is very simply explained—the blacks are the only ones who did not get there of their own will. Another problem of Europe stems from its tradition of a powerful state which makes a great many decisions in the citizen's stead. America is ahead because that state is quite weak; all it takes care of are firearms, foreign policy and some other trifles. Naturally, the

citizen does not ask the state for anything; he himself must deal with every problem, and consequently, people are extremely proud of their own achievements. Another problem is the traditional European trust in regulations and the affection for them. Unlike Europe, America is convinced that the purpose of every regulation in the world is to make everything work better. If someone happens to invent a regulation that puts brakes on something, nobody will observe it. It is just another dumb thing, and that's that. We should discuss such matters if we want to create in Europe a space that will make some sense.

[Pavelka] Which means ...

[Hvizdala] Which means that we must accept the risk of having a weak state, so that our people will be forced to tackle their own problems. The more powerful the state, the more decisions it makes for you, but the more it manipulates you, and you lose your risk-taking capacity. And risk, that in fact is everything—not only in entrepreneurship, but also as an ability to tell the truth, unpleasant though it may be. In this country people keep mostly quiet or avert their eyes and leave.

[Pavelka] Don't you feel that people in fact may not want a weak state?

[Hvizdala] Unfortunately, it is true. That is because they have atrophied. The state used to shield people and at the same time, brainwash them. For that reason, most people today think that only good news can be true. Then they get confused when something uncomplimentary is said abroad about us. However, everybody has the right to think about me that I am a blooming idiot. I cannot force him to apologize for his opinions ... And then there are those endless eliminations; it seems that if everybody likes only dandelions, then nettles must be outlawed...

[Pavelka] Can this habit be broken?

[Hvizdala] In all probability, nothing can be broken; however, we must try to create—with the help of our mass media—a new political culture ...

[Pavelka] How about the adulation of the Castle? How about the old idea that we have again only one common enemy? Power is again attractive, like a flame for moths...

[Hvizdala] Does that surprise you? After all those years? In fact, for a long time everybody stayed in the same rut; a change requires a lot of energy, but man, being conservative by nature, tries to avoid any newfangled changes. But we can learn something about that precisely from Germans. After the war, their mass media tried to suppress nationalism and to create a different political culture—and you see, to a certain extent they have succeeded.

[Pavelka] Surprisingly, in West Germany ...

[Hvizdala] Because there it was a duty. We can do the same in our country—we should travel abroad frequently and take a good look at Czechoslovakia from some distance, from aside, and stop making stupid mistakes and lionizing every successful person who returns from abroad ... All that is dumb; after all, we have succeeded abroad because we managed to survive and not because of our accomplishments. The highly successful individuals can be counted on the fingers of one's hand.

[Pavelka] Where should we begin?

[Hvizdala] By giving up at long last our expectations that a savior will appear. When I see that something goes wrong, I must say so and do something about it. Only such persons are citizens, the rest is the populous, and it is a generally known fact that the populous is a bunch of idiots. A citizen recognizes his responsibility and acts accordingly, even though he knows that a citizen may occasionally get hit right in the kisser or that he may lose. In social terms, it is the same thing. That is why attempts to achieve social equality always fall flat. In any normal society there must always be some very poor people and some very rich people. The very poor and unemployed exert pressure on the employed, forcing them to do their job to the best of their abilities, otherwise they, too, could fall down. And in the upward direction, every official or entrepreneur must have a role model in a better official or entrepreneur with whom he must try to catch up. Only in such an open social spectrum things can function, but that demands that some bitter truths be acknowledged. For example, in this country to this day thieves or ostentatious sycophants were the only ones who could get rich. That cancelled the psychological value of money and in this respect, it will be more difficult to restore the value of our money than to make it convertible. Labor finds itself in a similar situation. The value of labor was corrupted by the hundreds of thousands of artificially employed individuals who went to work only to collect their paychecks or who would even force other workers not to do their job properly. Conversely, another tremendous mistake is the idea that Czech workers do not work enough. In fact, they may be the ones who work the hardest in all of Europe, albeit with minimum end results. One must recognize that their work includes moonlighting, do-it-yourself chores in their weekend cottages, and the hours spent by women standing in line in shops. In fact, reforms should not force people to work more; they should enable them to work less but with better achievements. And secondly, they should enable them to take a breath after their eight-hour workday, to get rid of all their drabness stemming from exhaustion, and to lose the serf-like appearance of little people who are always grubby.

[Pavelka] And what about the elections? Do you see them also as delusions and pipe dreams that they will save us?

[Hvizdala] First of all, these elections are not real. Perhaps the next ones will be, if we are so lucky and if we

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can create a natural political spectrum from the left to the right and get it off the ground. It is obvious that we are starting from square one. I was called to explain a couple of times already that, for example, it is not possible to be a member of several parties at the same time, just as you cannot cast your ballot for more than one party in the elections because all you have is one vote.

[Pavelka] Can you offer us journalists, and in fact, yourself, advice?

[Hvizdala] Really, it is not advice but rather a thought that in addition to all the tasks we have already discussed, journalists above all will have to rehabilitate our language. For years our language was used as anti-language; it did not present facts in a clear way, it obfuscated them. Only a language that is used in a different way can change our people's thinking, and maybe people will then change the world around them. One thing that astonishes me is that our newspapers do not understand what democracy means. Most journalists now reason approximately as follows: We have overthrown the bolsheviks and now everyone can write in the papers what he pleases! However, such newspapers have neither guts nor sense. The editorial board of every newspaper should adopt a specific, clear idea, even a political one. If that does not sit well with some individuals, they should go somewhere else. Nobody in the world will debate this self-evident fact; nobody will waste any time with it. In our country we will have to get used to that. The situation is the same when world newspapers appoint their columnists. They hire them precisely for their personal views which are the decisive factor; then nobody will meddle with their writing and for that reason, those columns are so outspoken. But it would be unthinkable for any editor in chief to interfere with the writing of a columnist and tell him what he should say... After all, a journalist does not sell his work to just anybody. You've got to realize that you are lending the newspapers your name, your escutcheon, and thus, they have the right to expect that in turn you will protect the interests of their escutcheon and that you will be very selective. This applies to free-lancers as well; they do not work for more than two or three publications. Of course, that is an issue of money; for such a proud attitude they must earn enough to afford relative satisfaction of their needs. It is an outrage to see our Czech boys running around breathless just to earn enough to pay for the gasoline ... Consequently, their output cannot be effective enough.

[Pavelka] Do you think that self-censorship serves any purpose? I do not mean in relation to power, but rather to ethics, decency...

[Hvizdala] I believe that a good journalist has an instinct for what is and what is not ethical; that usually the first reaction is the right one; that our feelings are better than we ever can be. The more considerate a journalist gets, the more mistakes he makes. And furthermore, the more a person thinks as an intellectual, the worse smut he will

justify. To be sure, if a child is drowning, you do not ponder what to do. You kick off your shoes, take off your jacket, and dive right in the water.

GERMAN DEMOCRATIC REPUBLIC

Retention of Property by SED Examined

*90GE0135D Hamburg DER SPIEGEL in German
28 May 90 pp 98-99*

[Unattributed article: "From the Very Top"]

[Text] The lease was ready to signed. The moving dates had been set. Fritz Mueller (name altered by DER SPIEGEL), a fledgling East Berlin publisher, was looking forward to his posh new address. He had actually succeeded in finding office space for his new magazine in the capital city.

The lease for the office space in the Gendarmenmarkt building of the former Academy of Social Sciences was cancelled on "orders from the very top," he was told by Heiko Polten, the responsible "property administrator." The space was being held in reserve for other purposes.

The place "at the very top" is still occupied by the academy building's owner, the (formerly leading) political party. It has shed the name SED [Socialist Unity Party of Germany] but has not divested itself of its old properties. And that is not likely to change anytime soon.

To be sure, all the other parties, both East and West, are complaining about the wealth of the PDS [Party of Democratic Socialism]—and the call by the West German SPD [Social Democratic Party] to force the communists to come clean with regard to their real estate and their business operations and turn them over is a very popular one indeed.

However—at this point neither the CDU [Christian Democratic Union], nor the FDP [Free Democratic Party] dare contest the PDS's SED inheritance because they would stand to lose too much, if they did. "Once you start the ball rolling," says Horst Korbella, the CDU vice chairman, "everybody will get hurt."

Polten also believes that the PDS will get away unscathed. He even told would-be tenant Mueller he knew that "firm commitments" were made, i.e., that Gregor Gysi and Lothar de Maiziere, the heads of the PDS and the CDU respectively, agreed on leaving things as they are.

Both party headquarters claim never to have heard anything of such a deal. There probably never was one—because there was no need for a formal agreement, given the interests of all concerned.

Both the SED successor PDS and the bloc parties that switched sides inherited so much real estate and other amenities that they have every reason to let sleeping dogs lie. The West German CDU and the FDP who would

stand to share in the inheritance once Germany is unified have been using harsh rhetoric but have left it at that.

Only those parties which either did not exist or went underground in the SED state would stand to gain from a public airing of the issue: the Social Democrats, the Greens, and the Alternatives—the vanguard of autumn revolution which has since been pushed into the background. They own no real estate, no party buildings, no publishing houses and no newspapers.

But they, too, are strangely silent. Hinrich Kuessner, the SPD treasurer, offers the following explanation: He has been looking for a new SPD headquarters, he says—but without the help of the ruling CDU there is no chance of finding one.

Aside from the SPD, the DSU (German Social Union) is the only party represented in the government coalition without any assets of its own. But the DSU, too, is cautious in its criticism of the PDS' party assets. It has its eye on the real estate owned by the old Peasants Party (DBD) with which it would like very much to merge.

The property picture has survived the revolution. The SED which regarded the state as its private property was always smart enough to share part of the loot with the bloc parties. The latter have no desire now to let go of the beautiful party buildings or the vacation homes and other real estate which the SED regime assigned to them.

CDU headquarters in East Berlin, for example, is located in one of the most beautiful buildings on the Platz der Akademie. The new red sandstone building is a prime piece of real estate not merely because of its central location.

For a while now, Werner Skowron, the CDU treasurer, has been worrying about the future of the party headquarters. A West German citizen has claimed ownership of the lot right next door. Now Skowron wonders whether the party building may not be standing on disputed ground.

It would be quite a blow for Skowron's West German counterpart, CDU treasurer Walther Leisler Kiep, if the East Berlin CDU headquarters fell into other hands. Looking ahead to a merger between their two parties, the two treasurers had already drawn up a detailed list of assets and liabilities.

Early this year, the CDU formally divested itself of its party assets. But this "housecleaning," as Korbell put it, did not really alter the question of legal ownership. The properties, including real estate and various newspapers and book publishing houses, are now administered by the so-called Union Limited in place of the former VOB Union (where VOB stood for Association of Organization-Owned Operations). Wolfgang Frommhold, VOB Union's director general, retained his post and the CDU still is the principal owner.

The LDPD [Liberal Democratic Party of Germany], another of the former bloc parties which initially changed its name to LDP and subsequently to BFD (Alliance of Free Democrats) and has since merged with the NDPD (National Democratic Party of Germany), occupies an even more enviable position on the real estate market than the CDU.

The merger made sense and turned out to be a happy marriage of convenience. BFD and NDPD no longer own so many party buildings and building lots that the Bonn FDP will reap great benefits when it merges with its East German counterpart. What is more, the Friedrich Naumann Foundation will move into the old LDPD headquarters in the center of the city which will become available once the party leadership moves into NDPD headquarters, a huge structure in an extremely desirable location.

The existing SPD headquarters, on the other hand, looks more like a decrepit kreis hospital: long corridors, tiny rooms, thin walls. For years the building located near the Heinrich-Heine-Strasse border crossing point housed the district party school of the SED which claimed ownership of the structure. It did so illegally, as it now turns out, since the building belongs to the government social insurance system.

Following the upheaval, the SED contritely offered to relinquish part of its assets. Party-owned "Zentrag," which owned 16 newspapers and 26 printing plants among other things, is turning over eight of the newspapers and 23 printing plants to "public ownership." That was a good move.

Following the transfer of the old central committee building on Werderscher Markt to the People's Chamber, the party divested itself of a lot of real estate throughout the country. It even turned over one of its jewels, "the Palais unter den Linden" guest quarters.

These transactions are not always devoid of selfish motives. In a number of cases the party merely slipped into the background—either letting or leasing the premises and collecting rent.

The party school in Potsdam for instance is being turned into a hotel with the help of Western credits. A hotel management company made up of former party members was formed and the rent payments will go to the PDS.

Other properties such as Berliner Verlag (which publishes BERLINER ZEITUNG and EULENSPIEGEL magazine) were simply sold outright, according to West Berlin's Lord Mayor Walter Momper. Robert Maxwell, the British publisher, who was allowed to bring out Honecker's memoirs earlier, would like to buy into the publishing house.

It has never been revealed who made how much on these SED bonanzas or where the money actually went. The party has steadfastly concealed its actual income. This

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has made it impossible to this day to come up with a reliable estimate of its total assets.

The publication of an exchange of letters between former SED hard currency manager Alexander Schalck-Golodkowski and Honecker revealed more or less by accident that Schalck's business ventures earned 56.3 million marks in hard currency on behalf of the SED in 1988. At the end of last year, the Berlin district organization of the party estimated its earnings for the year at 81.7 million marks.

It is therefore understandable that Gregor Gysi, the new head of the party, warned its members in December 1989 against turning their backs on the SED past too abruptly. If the old party were dissolved, he said, the assets would be up for grabs. "Expropriating us," he added, would be "undemocratic."

At times, the PDS tends to go overboard in trying to save what can be saved. In early January a party resolution inspired by Gysi recalled the horrors of the Third Reich. The party would "never again permit" the confiscation of communist assets as "was last done in 1933."

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Foreign Ministry Recruitment, Staffing; Examinations Introduced

90EP0616A Warsaw RZECZPOSPOLITA in Polish
15 May 90 p 3

[Article by Stanislaw Turnau: "Diplomats by Competition"]

[Text] About 1,000 persons work in Polish diplomatic and consular posts; in the ministry itself, more than 400. Minister Skubiszewski recently spoke of the necessity in the Sejm of the gradual changing of the cadre of this department. The basic method of bringing in new employees is supposed to be by examinations organized by the MSZ [Ministry of Foreign Affairs]. Of the 430 persons who voiced their willingness to work in the Polish diplomatic service; only 10 to 20 made it through the three-stage examination.

The organizers had to refuse 104 persons before the exam. Most commonly, the candidates themselves admitted that they did not know foreign languages, that they were too advanced in age to learn a new profession, or simply did not have the appropriate education (even a circus acrobat applied). Other would-be diplomats quit of their own free will or decided to take the exam in the fall, and only 58 persons came to the exam.

After checking their familiarity with languages and their knowledge of contemporary international relations, half were weeded out. In the opinion of the examiners, surprising difficulty was caused by the assignment of a two-page essay on one of three, not-too-difficult topics. "It was enough to read the newspapers and know how to communicate this knowledge in decent Polish," stated the examiners.

The third part of the examination, an interview with a commission, proved equally difficult. Deputy Minister Jerzy Makarczyk, Deputy Barbara Labuda, and other members of the commission again threw out half. The commission did not make any final decision, but it is already generally known that only ten to twenty lucky ones will supplement the cadre of the MSZ.

However, they will not become diplomats immediately. A year-long probation period awaits them in the ministry (290,000 zlotys per month, the minister will not assure apartments for out-of-towners) and a 9-month work period abroad.

Following Minister Skubiszewski's next invitation in the Sejm, more than 1,000 persons have already voiced their willingness to take the autumn examinations. However, the statistics are very disturbing: 75 percent are over 30 years of age; as many as 41 percent were literature students; those most needed, lawyers and economists, make up only 20 percent.

It is difficult not to come away with the impression that intelligent, educated people who know languages are looking for work elsewhere, even in foreign companies where pay is incomparably higher. That is how the employees of the MSZ are explaining this situation to themselves.

The new employees in the ministry and in foreign posts are also recruited in another way. Minister Skubiszewski, obviously, may decide to accept people without examination, even ambassadors or persons nominated by them, but they all must pass the departmental language exam and go through training in the successive departments of the MSZ. (Their wives must also complete suitable courses.)

Minister Skubiszewski has already named 30 new ambassadors, but almost all of the personnel, especially in the posts in the former socialist countries, should be changed. They were sent there without any preparation on the recommendation of the KC [Central Committee] or the URM [Office of the Council of Ministers] "on merit" or "by way of consolation."

Another problem is the so-called cadre reserve. This is made up, for example, of people returning from posts, for whom the minister has so far not found a place in his department. Thus, they are taking money and are waiting—usually for retirement.

To be a diplomat is a profession that has to be learned. And money is not encouraging people to work in the Polish diplomatic service either. In the ministry, the average salary is a few hundred thousand zlotys (more than a million is earned only at the level of a departmental director and up), in foreign posts the ambassador earns as much as \$1,500 (about \$2,000 in Japan and Switzerland only), advisors and secretaries, \$800 to \$900. If one looks at the cost of living, these are not

stunning sums. Only Romania pays its diplomats less. Hungarians in foreign posts earn two to two and a half times more than Poles.

On Minister Skubiszewski's order, a plan for thoroughly reorganizing the MSZ (it includes, among other things, clear principles of cadre policy) has been prepared. It will be introduced in the next few months.

Communication Laws: Ideas on Restructuring Radio, TV

90EP0638A Warsaw ZYCIE WARSZAWY (KULTURA I ZYCIE supplement) in Polish No 10, 18 May 90 pp 2-3

[Article by Karol Jakubowicz: "Searching for a Prescription"]

[Text] Proposals for reforming the Radiocommittee as well as the role and operating procedures of radio and television in our new democratic reality are topics of interest to public opinion and recently have been often discussed in the press. The article by Dr. Karol Jakubowicz, chairman of the Commission for the Reform of Polish Radio and Television formed by Director A. Drawicz, proposes a new approach to the problems facing the largest mass media.

Three Sectors

Radio and television in this country are to be of a pluralist and open nature and to serve two-way communication between the authorities and the society. If we add to this "top-to-bottom" and "bottom-to-top" vision of communication also "horizontal" communication among different segments of the society, we obtain a recipe for a fully developed radio and television system capable of serving intrasocial communication. It should consist of three sectors:

- The state sector (and in the future, of a certainty, the public sector), the only sector obliged to be apolitical, impartial, and objective and to strive to present programs that fully reflect life in this country and in the world as well as to meet all the needs of the national audience; to accomplish these purposes, it should have certain supply sources including both national and regional and local stations, with the latter to be maximally autonomous and devoted to local issues and happenings while at the same time interlinked into a network forming, together with the central stations, an integrated system whose parts are fully meshed;
- The social sector, consisting of stations operated by various parties, groupings, organizations, minorities, and local and regional communities, and representing their views; owing to financial considerations, this means chiefly community and local radio stations;
- The commercial sector. As Western experience shows, it is chiefly concerned with maximizing profits, and hence the purpose of its broadcasting operations is to

gain for its commercials the proper audiences of the proper composition and size. On the one hand, this results most often in broadcasting attractive programs for general audiences, programs that combine entertainment with news and practical information. On the other hand, this also results in addressing these programs, particular time slots, or entire channels, to specific audiences or viewers. This sector serves to stimulate and guide demand and hence it is an instrument for promoting the growth of the market economy and keeping it balanced. Commercial stations are seemingly apolitical and impartial, but actually they are socially conservative and opposed to changes. Their listeners and viewers create a vision of finding the meaning of life in, chiefly, consumerism and entertainment.

How To Abolish the Monopoly?

As I am writing these words the moment is approaching when the draft of a revised decree on communications is about to be transmitted to the Speaker of the Sejm. It also provides for updating the decree on radio and television by, among other things, abolishing the state's monopoly on this field and establishing a procedure for granting licenses to new broadcasting stations. Socially the terms on which this will be done are not unimportant, particularly considering that the number of available frequencies at present is limited (it is worth considering dividing some of these frequencies among several broadcasters by allowing them to operate only a few hours daily each). Care should be taken that they would be used in the public interest.

First, applicants should be properly selected so as to assure an equitable distribution of available frequencies between the social and the commercial sectors. Second, the flood of foreign capital should be fended off. With its freedom of action, it would dominate the commercial sector, prevent the social sector from arising at all, and threaten the state sector. In all these sectors radio and television must be Polish. Third, nevertheless it is worth it to assure the participation of foreign capital in the development of radio and television (especially cable and satellite television and other new media) by permitting joint ventures in which Polish capital would account for a definite majority of shares.

It is also important to specify properly in the individual broadcasting licenses the organizational, program, and financial requirements for particular broadcasters. The program requirements and the system for supervising and monitoring their implementation which exists in many countries are chiefly intended to accomplish four purposes: (1) assuring that the nature of the programs offered by the social and commercial sectors as a whole be universal and satisfy varied needs of the audiences; (2) assuring the expression of the full scope of different political views and tendencies arising in public opinion; (3) monitoring the nature of program commercials; (4) protecting the indigenous nature of the program (various quotas for showing domestically produced programs and

films, etc.). The last requirement is also intended to protect the domestic film and television industry, which, in view of the substantial and growing employment in that industry, is becoming an important sector of the economy in general. These program requirements provide criteria in cases in which many applicants compete for one and the same frequency, and they also provide the basis for deciding whether to prolong a license or refuse to prolong it. In a situation in which many stations operate in one locality, formulating these requirements serves to assure the differentiation of their broadcast profiles.

Another important element of the policy on radio and television, which must be reflected in the terms for granting broadcasting licenses, is protection against concentration of capital, which menaces both openness and pluralism. This is achieved by, among other things, prohibiting the mergers of private stations into networks, restricting the number of stations owned by a single individual or company, prohibiting the concurrent ownership of newspapers and radio or television stations, and restricting the percentile share of stock owned by a single individual or company in various kinds of mass media, etc.

What Perspectives for the Future?

The updating of the decree on communications will not solve all the problems of radio and television in Poland. In particular, it will not do away with the difficulties experienced by Polish Radio and Television and will not assure the rise of the social sector. Hence also, it will not guarantee the rise of an open and pluralist system. Thus, more legislative work on a new decree on radio and television that would fully regulate all these problems is needed.

For we are being threatened with the "childhood disease of commercialism": if you want to broadcast, look for advertisers and sponsors. Yet it is demonstrable (consider the American commercial TV networks) that when different radio and television broadcasters have to compete for the same audiences and for funding from the same sources, ultimately they accomplish this by means of mutually highly similar programs, which in effect nullifies pluralism. Unless safeguards for a genuine openness of the system are provided, the social sector may either be stillborn or merely marginal in nature. In many Western countries the elimination of government monopoly on radio and television has led to the rise of hundreds of amateur stations representing the social sector. Subsequently, however, lack of funds resulted in the closings of some of these stations and the commercialization of a majority of the survivors. Thus, it is not enough to legally guarantee freedom of speech and to abolish the monopoly; it is also necessary to assure the practical conditions for translating into reality the communications law, that is, to create forms of sponsorship for the social sector.

The expectation that Polish Radio and Television and the social sector will mend the holes in their budgets by broadcasting as many commercials as possible is incorrect insofar as this conflicts with their social obligation of broadcasting many discussion-panel, educational, artistic, and other "non-paying" programs with small audiences. A large part of the general audience will surely prefer the attractions offered by commercial stations, but still the presence of the entire spectrum of possible programs should be assured. Besides, given the currently extremely limited advertising market, Polish Radio and Television would anyway be skimming the cream of that market, since it is the only national broadcaster. Incidentally, for similar reasons, several years ago the BBC had rejected the idea of broadcasting commercials, because there would not remain sufficient advertising funds for promoting the growth of new purely commercial media. Yet England is one of the countries in which the greatest part of the GNP [Gross National Product] is allocated for advertising!

Where To Get Funds for Polish Radio and Television?

We must understand that radio and television are not just business operations but the substructure of the system of democratic institutions, safeguards for many civil rights, and a factor promoting the growth of national culture and education. Having been deprived of support, PRiTV [Polish Radio and Television] is slashing its own production, importing more programs and showing more repeats, and becoming dependent on sponsors. Thus, its ability to accomplish the numerous purposes mentioned above is becoming constricted. Hence also it is necessary to formulate a government policy promoting a stable development of the state and social sectors, that is, safeguarding both the openness and the pluralism of the system. This does not refer to subsidies from the state budget, although it is precisely the PRiTV that should rely on assistance from that source. Other funding sources can and should be explored.

Unless this happens, in the domain of television we shall soon become "another New Zealand." In that country, to be sure, television collects fees from subscribers, but from the outset it has also relied on advertisers as a funding source. The government in New Zealand was not interested in television finances and it was only very rarely that it raised subscriber fees. The consequences were obvious. In 1961 commercials were shown on television only 3 days a week, maximally six minutes per hour, and the income from advertisers was 25 percent of aggregate income. In 1985 commercials were shown six days a week and the time limit on showing them was raised to nine minutes per hour and the income from advertisers accounted for 85 percent of aggregate income. Pressure from advertisers is forcing New Zealand television to address an increasingly greater proportion of programs to mass audiences at the expense of artistic, religious, and youth programs as well as of those designed for children, women, the elderly, the Maori minority, etc.

Unless the financial crisis at the PRiTV is resolved through its own efforts to cut costs and increase revenues from economic activity, providing it with a special funding source, so as to refrain from maximizing its income from advertisers, will have to be considered.

In England the thought is, justifiably, that all the sectors of radio and television, whether state or private, should have their own funding sources for which they do not have to compete with anyone else. In this country it would be a pipe dream at present to eliminate commercials from broadcasts, but on the other hand domination by advertisers has to be fended off. At the same time, however, subscriber fees cannot be raised ad infinitum (even though they are indexed anyway and will rise with the cost of living). But there is no justification for imposing the same subscriber fee for black-and-white and color television sets. In Belgium, Norway, Finland, Ireland, France, England, Sweden, and Denmark the subscriber fee for a color television set is on the average 54 percent higher. The growing share of color television sets in the overall number of television sets would augment the income of PRiTV from subscriber fees for a long time yet.

When in the mid-1980's additional sources of income for the BBC were being considered in England, the following possibilities were taken into account:

- raising the fees imposed on commercial broadcasting stations to finance Channel 4 and to allot the additional income to the BBC;
- increasing the value-added tax [VAT] by 1 percent;
- replacing the subscriber fee with increased water, electricity, etc., taxes;
- levying a special tax on electronic audiovisual equipment, satellite antennas, video cassettes, etc.;
- including the subscriber fee in general taxation and financing the BBC from the state budget; and
- creating a state lottery co-financing the BBC (a similar role is played in this country by the "Teletombola").

Most of these possibilities can also be considered here. A social fund assuring the undisturbed operation and growth of the PRiTV could be formed by, e.g., introducing:

- 1) a tax on gross wages, collected by the workplaces (the resulting revenues, rising with the rise in wages, would represent a stable funding source);
- 2) or deductions from the income tax levied on manufacturers of audiovisual equipment, from customs duties on imports of such equipment, and the participation of PRiTV in the revenues of sellers and service providers relating to audiovisual equipment;
- 3) or, lastly, fees collected for this purpose from the commercial sector (but that is a long-range solution because that sector must first arise and begin to make profits).

Other solutions also are conceivable. But what matters most is to get started.

How Should the Social Sector Be Supported?

In France local and community radio stations have the choice of deciding whether they want to support themselves solely from advertising income or also from state subsidies, or, too, whether they want to refrain from showing commercials at all because the social and cultural programs they broadcast afford no opportunities for earning advertising income. In the two latter cases these stations avail themselves of subsidies from a special fund established by the state from part of the advertising revenues of national radio and television programs.

Then also there is the Swedish "naerradio," or neighbor radio, established in order to enable various local groups and organizations to express themselves via the radio without having to establish their own radio stations. The state has provided low-power transmitters and simply equipped studios. Anyone can lease such a studio for a small fee, prepare a program, and purchase a little antenna time in order to broadcast it. If local self-government is to be the foundation of Polish democracy, this solution may be worth considering, inasmuch as it has a potential for activating local communities and assuring them of what could be called "self-expression in communications."

On the same principle operate the so-called access channels in American cable television. Owners of cable television systems provide a channel for this purpose and often also co-finance the operations of a team which lends equipment to whoever is willing, conducts courses in preparation of television programs, and creates an ensemble of programs prepared by community organizations and individuals. It differs from the Swedish "naerradio" in that it provides both equipment and broadcast time gratis.

These are but a few of many forms of supporting the social sector. Owing to lack of space, more examples cannot be provided. The point is that the social sector cannot be left to shift for itself, because it will not manage on its own. Here a special role falls to local self-governments and communities; otherwise, genuine intrasocial communication can hardly be considered.

French-Polish Police Cooperation Noted

90P20059A Warsaw RZECZPOSPOLITA in Polish
23 May 90 p 1

[Unattributed article]

[Text] Representatives of the Polish and French police have set the basis for cooperation and instruction of our policemen in France. Soon the first group will travel to that country.

MILITARY**POLAND****Structural Changes in Light of New Defense Doctrine Viewed**

*90EP0586A Warsaw ZOLNIERZ
RZECZYPOSPOLITEJ in Polish 10, 11-13 May 90*

[Article by General Brigade Zbigniew Lewandowski: "Structural Transformations in the Armed Forces"]

[10 May p 3]

[Text] The situation in the international arena and within Poland at the beginning of the 1990's is exerting a crucial influence on the national defense system, on the organization and state of the Polish Army, and on the training of its soldiers.

In accordance with the substance of the defense doctrine of the RP [Polish Republic], the system of national defense contains the following spheres: the political-social sphere, the administrative-economic sphere, the military sphere, the sphere involving the protection of the state, and civil defense. However, the fundamental link of this system is the appropriately organized, equipped, and trained armed forces, the task of which is to guarantee the independence and security of the nation, national sovereignty, and the inviolability of the borders of the Polish state.

Ensuring national security demands the harmonious improvement of all types of armed forces and all types of troops, with priority placed on the forces dedicated to performing the tasks of air defense as well as on those engaged in defense against airplanes, armor, and landing parties. The practical realization of the above tasks demands the completion of essential changes in organization, responsibilities, and training. It also demands that part of the weaponry and military equipment be changed in the land forces, in the Air Forces and Air Defense, and in the navy. A program of such changes was accepted by the Presidium of the National Defense Committee on 21 November 1988. According to the accepted program, a significant limiting of the numerical strength of the army is to take place in 1989-90. Certain quantities of offensive, army combat equipment (tanks), as well as obsolete equipment which does not have much combat value on the modern battlefield, but which is costly to use, are to be withdrawn. It should be mentioned here that most of the planned undertakings have already been executed.

In the publications that have appeared so far in regard to armed forces organizations, mention has been made only of the problems associated with the restructuring. They have merely indicated the directions of the activities and the measurable effects of the work underway.

Yet the subordination of the army's organizational structures to doctrinal principles has been overlooked. It seems that this was often the cause of the negative opinions regarding restructuring that were made by the

representatives of various circles. And above all it was the cause of the objection that this process is weakening the defensive potential of the country. Therefore, an urgent need is arising to make a presentation, as the organizational structures of the army "enroll" in the defense doctrine of the Polish Republic.

It is beyond all doubt that the framework of modern defense—in an era of dynamic development of offensive armored equipment (tanks, armored personnel carriers)—is anti-armor defense.

The overwhelming majority of anti-armor weapons, which essentially determine the effectiveness of anti-armor defense, is concentrated in the all-army tactical unions and independent anti-armor units. Currently, organizational structures are undergoing an adjustment process to the doctrinal principles, which are aimed at strengthening anti-armor defense. During this process, additional subunits of anti-armor artillery have been formed in those divisions that have been transformed into a new structure. Moreover, in all-army units that have been restructured, the quantity of anti-armor weapons has also been increased. All together, the quantity of anti-armor weapons in the developed tactical unions has been increased by 36 percent. In this way, the priority placed on anti-armor defense, which was established in the defense doctrine, is being realized.

Of course the effectiveness of modern anti-armor defense does not only and exclusively depend on the quantity and quality of anti-armor weapons. The forces and means dedicated to the engineering of an enlarged terrain and system of minefields also exert a large influence on defense. Therefore the opportunities of subunits and units of the engineering corps are being suitably enlarged through the completion of organizational changes, the enlargement of the staffs of the engineering subunits (chiefly at the tactical level), along with the introduction of new equipment.

The next defensive element treated in the doctrinal principles as a priority is anti-aircraft defense. As in the case of anti-armor defense, resources are being invested in it in a substantial way. In the mechanized regiments of the tactical unions, divisions of anti-aircraft artillery are being introduced. It is predicted that in the long run there will be a glut of anti-aircraft subunits with portable rocket equipment and rocket-artillery equipment of greater efficiency in striking air targets.

New radar stations and automated command systems are being introduced to equip the anti-aircraft troops.

The military hardware mentioned does not have an offensive character. It can not be used for an attack. Rather, it is effective in repelling enemy air strikes.

Obviously, the chosen examples of organizational changes in anti-aircraft defense best testify to the structural transformations in our armed forces which are a result of the defense doctrine.

[11-13 May p 4]

[Text] Given the highly mobile character of modern combat operations and the possibilities of conducting conflict in the land-air dimension, defending armies should not only be capable of fighting and defeating enemy groupings that are mounting straight-ahead attacks, but should also be capable of simultaneously fighting and destroying various enemy parties landing at various depths in our own troops' positions and at various times of war or operations, and also enemy deployments which have penetrated into the depths of the defense and are capable of making strikes from the rear and flank of our troops.

Therefore, defense against landing parties is treated on a par with anti-armor and anti-aircraft defense, creating its specific priorities.

Units of all sorts are trained in the appropriate sphere for realizing the tasks from the sphere of anti-landing defense. In a significantly broader sphere two brigades are prepared for conducting this sort of activities: the Coastal Defense Brigade and the Landing-Assault Brigade.

The Coastal Defense Brigade does not possess offensive characteristics, but in accordance with doctrinal principles it is capable of defending specified sections of the sea coast, fighting enemy landings (chiefly from the sea) and also executing landings on its own coast when controlled by the enemy.

In the second of the above-mentioned brigades, the Landing-Assault Brigade, specific structural-organizational steps are also being undertaken. These have the aim of using this unit in defense operations on its own territory.

It is assumed that the new organizational model of this brigade will ensure it the following: appropriate capabilities of conducting effective battle with an enemy landing; immediate exploitation in defense operations aimed at securing newly created breaches in its own grouping or in the regions of enemy encroachment; and the security of newly created breaks in its troop positions. This brigade, considering its great mobility and the considerable number of anti-armor assets at its disposal, may also be used to halt enemy tanks and armored transporters in its capacity as a highly mobile anti-armor reserve.

Another step that has been undertaken in the land forces, and which is acknowledged as exceptionally important in the doctrine, is ensuring the land troops of appropriate firepower and maneuvering capabilities. This task is being performed chiefly through the reorganizing of the units and subunits of the artillery and furnishing them with more modern equipment which has increased firing and maneuvering capabilities. All the developed tactical unions have already been furnished with means of this type.

It is easy to perceive that three of the defense priorities mentioned in the doctrine—anti-armor, anti-aircraft, and anti-landing defense—particularly concern one type of armed forces, namely, land troops. The fourth of the priority tasks, which embraces air defense, chiefly concerns the newly created type of armed forces, that is, the Air Force and the Air Defense.

The following tasks have been set before the Air Force: to ensure—in cooperation with allied forces—the integrity of the territorial protection of the Polish Republic and to prevent reconnaissance missions and enemy air strikes against important regions, civilian targets, or military targets.

The maximal effects of air defense depend on excellent training, cooperation, and the combat capabilities of the equipment at the disposal of the Air Force and Air Defense. Keeping the above in mind, organizational structures are being systematically improved. They are being adapted to the needs of air defense and to the most effective exploitation of equipment, which within the limits of financial possibilities is being systematically modernized.

In the air defense's rocket forces, for example, some of the firing divisions outfitted with the oldest rocket gear are being disbanded and in their place a limited number of more modern ones are being introduced. In the Air Force, through the reform of certain aircraft regiments and the change of their internal organizational structures, there has been a significant reduction in the number of obsolete types of aircraft. These were chiefly fighters and reconnaissance planes, whose firing capabilities were inversely proportional to the cost of their exploitation.

Parallel to the withdrawal of the armaments of obsolete aircraft, new ones are being introduced, of course in smaller quantities, but of several times greater combat capabilities relative to their predecessors.

The navy is the third type of armed forces mentioned in the doctrine. It too is embraced by definite structural transformations resulting from the doctrinal principles. Its chief task is to participate in defense operations on the Baltic Sea, including the protection and defense of Polish sea space and aid to landing troops defending the sea coast. Therefore, sailing units, the combat value of which is transitory, are becoming superfluous, and their maintenance entails great costs.

In the organizational structure of naval aviation also only equipment of a remarkably defensive character have remained. This is air-borne equipment, which is used in reconnaissance, fighting submarines, and rescue-patrol assignments.

In considering the framework of the article presenting organizational and structural transformations in the armed forces which result from the defense doctrine, those questions which were recognized in the doctrine as priorities for the conduct of defensive operations were

exhibited. Somewhat less attention was directed toward other, no less important, organizational problems.

Here, however, it seems necessary to have certain reservations. As military personnel we would be unbelievable, if we spoke only of defense and did not see the need to execute aggressive actions at a specific, opportune moment during defense operations.

Historical experience teaches that even with the most perfect defense, war cannot be won, because the defeat of the aggressor is only possible through an offensive strike. In order to defeat Nazism, Berlin had to be conquered. The strategic defense of Poland in 1939, or France in 1940, did not bring about the expected results, in spite of the Maginot Line.

Although our doctrine is not a defensive doctrine in name only, but of its very nature defensive—that is, it has no aggressive goals, nor does it presume to resolve issues in the international arena through the use of the armed forces—we must remember that the chief and decisive task of the army, aided by all of society, still remains the defeat of aggressor forces which invade the space of our country, and not merely the passive protection of the borders of the country. Therefore, the vision of the state within today's inviolable state borders, about which so many are talking in the context of the German unification process, must be associated with all the doings in the organizational sphere of the armed forces. By restructuring we are first of all getting rid of those elements of the armed forces which have the least influence on the army's combat capabilities. In this way, for example, the numerically large group of units realizing training-production tasks has been eliminated. At the same time, we are creating tactical unions of a universal character which have great maneuvering capabilities and increased, chiefly anti-armor, firepower and which are first of all capable of conducting effective defense operations, but also of creating specific strike forces.

At the same time, it should be noted—experience and numerous post-war examples of local conflicts testify to this—that the number of troops does not always determine victory. The outcome of battles, and even of wars, is more and more being shifted from the quantitative sphere to the qualitative sphere. Today, in the main, he who has the qualitative advantage in firepower, leadership, training, and operational organization can count on victory.

In conclusion it should be stated that the consistently realized restructuring program of our armed forces aims at the formation of an army that is numerically smaller but more modern with respect to equipment, better trained and organized, and more effective in defensive operations. Defensive force, however, does not lie in the army alone. We should build the defensive capability of the state with the support of all of society. Everyone must join in this trend, just as is the case in the process of economic transformation in the country.

The examples cited in the article—naturally very general ones—point out the great connection between organizational problems and doctrinal ones, and they testify to the fact that all the organizational transformations executed in the army perfectly coincide with the principles of the defense doctrine of the Polish Republic.

Military Restructuring Results in Release of Professional Staff

Dilemmas Facing Cadres Noted

*90EP0604A Warsaw ZOLNIERZ
RZECZYPOSPOLITEJ in Polish 21 May 90 p 4*

[Article by Major Ryszard Radziejewski: "Job Wanted: The Reality of Restructuring"]

[Text] "Graduate of the Higher Officers' School for Mechanized Forces and the Physical Education Academy, completing the doctoral degree and with experience in a line unit as well as in teaching physical education and marksmanship, seeks an offer of a job in the army, in Warsaw. Thirty-seven years old, but physical condition like that required in the youngest military age bracket, awards for articles published in the military press. Special interests: frankly, combat (both in theory and practice), problematics of realism in military education (subject of my doctoral dissertation) as well as occupational professionalism. Please address offers with particulars about the job and salary level to...." Is this a vision of a job market in the military sector some years hence? Unfortunately, it is not. This is today's reality, and for the phrase "waiting for offers" substitute "accepting all offers." A problem that did not exist 2 years ago now engrosses the minds of professional soldiers and this is a cause of frustration and tragedy in many families. It is a problem that harshly dispelled the myth of military service as the mainstay of a certain way of life that for better or worse, but on a permanent basis, allowed people to concentrate on their jobs without worrying about the future, a military service that permitted people to organize their lives in a better or worse symbiosis with a business having a definite reputation in society, a certain status in a hierarchy of superior, higher values.

Today that way of life is declining more and more, diminishing on a downward inclined plane with no end in sight. More and more people are being dropped out of the system, pushed out not by accidents of fate (as before), but by restructuring and cutbacks. These people are faced with many problems and they must resolve many dilemmas. The first one is this: should they accept any job offer that comes along just to be able to remain in the military service? That means any offer, irrespective of education, experience or interest. Will honor and ambition allow us to move down to a lower position following orders issued by someone of lesser rank? Will we be able to exchange commander's status and lifestyle for a clerk's job?

A second dilemma: to remain in the military service at all costs? The deciding factors here include education, years of service and the related rights to housing, retirement benefits and so on, the possibility of finding a military job in the place where one is living. But it is not only material factors which leave one perplexed; for after, let us say, 17 years of military service, there are also emotional considerations: attachment to the uniform; the work one has performed; a feeling of community within the military, of having become accustomed to the military ethic. For many people, these psychological factors play a greater role than do the so-called privileges and immediate material benefits. There is also the significant concern about whether one can find a job in the civilian sector. Progressively increasing unemployment there and the real or imagined discrimination in workplaces against ex-military people do not encourage one to hang up his proverbial hat. Young people with a lot of enterprise and initiative and a good civilian occupation leave the military more easily. They leave without regrets and lose little. The military is the loser here, but today the military's interest has somewhat receded into the background. Capable people who might otherwise have had careers as commanders or instructors are also leaving from liquidated units and institutions. They are leaving because they are not satisfied with positions proposed to them. Alongside them are mediocre people of little value and few prospects. They remain in the service only because their unit or institution is not slated for restructuring or cutbacks. Is this the way things ought to be? From the viewpoint of the military's benefit, are the right people leaving? The next dilemma, a no less difficult one: the place of residence. One may live in Warsaw, but it is an apartment that keeps him in the capital and not his status as a Varsovian with its related references. No one needs an explanation of how important an apartment is today. In that case, who will risk taking a job in another place without a guaranteed apartment or the guarantee of obtaining one soon? When one is 30-40 years old, is it worth it to abandon family peace, a regulated life style, the wife's job and the children's schools? Is it worth it to start the vegetating life of PKP [Polish State Railroads] housing and separations from family members?

So-called offers one cannot refuse help to resolve the apartment dilemma: accept an assignment in the town of X or you are a civilian! It often happens that X is located at the extreme opposite end of the republic and at such a moment one has the right to doubt the sincerity of the job offer. Have we simply reversed the situation of a few years ago when everything possible was done to avoid letting people go? Similar suspicions also extend to the transfer lists and to aid in becoming qualified for different jobs and other like services to which the military is bound not only statutorily but also morally. By any chance, are we tending toward an excessively individualized approach toward mustering people out and being satisfied with dismissing them in a legal manner, are we fully aware in this matter that we are no longer leaving people stranded on the proverbial ice but rather under it?

For where, for example, can jobs in civilian life be found for an engineer-commander and similar people with purely military specializations? As a construction superintendent, wielding a shovel?

If the military as an institution leaves those people to their own fate, then it is not impossible for them to end up like that. They say that no sort of work is shameful, but so sudden a "requalification" from officer to construction superintendent may prove to be very difficult psychologically, not merely exasperating, depressing and unfortunate. The psychological difficulty is exacerbated by the fact that for us in the military, superiors chiefly had been making decisions for us about advancement and changes in the job description. Thus, superiors had deprived us of practicing job-related initiative and enterprise, the capacity to direct our own lives.

Those traits may be found to be irreplaceable especially right now when we have to stand eyeball to eyeball in front of a rather unpleasant reality. And should we be obliged to place a "job wanted" ad in the newspaper, let us not be shy about naming those professional and character traits that may mean obtaining a worthwhile job. Without a sense of our own worth (a sense of self-worth that was not always welcome in the army) we cannot expect success in civilian life either now or later. I am somebody, I have a formed personality, certain education and ability—why would I speak of these traits sheepishly, bashfully and afraid that someone will take what I say as self-praise or as trying to impress somebody? That is so much more the case since the potential employer is not obliged to hire us and can choose among other applicants and will verify the information we have furnished.

The essential thing is to convince the potential employer that we are the best applicant out of tens or hundreds, that we will fulfill his expectations the best. Is that difficult? Of course, especially for those who really have little to offer. However, all indications are that the struggle for a way to earn a living is becoming obligatory. We have no recourse but to adapt ourselves to this struggle, make it our own. And not only because it is easier to live that way. Much about that struggle really exists for a good reason.

Postscript: The advertisement placed at the beginning of this article contains authentic information about the author and will be timely beginning on 30 September 1990....

Chances of Military Career Diminished

90EP0604B Warsaw ZOLNIERZ
RZECZYPOSPOŁITEJ in Polish 16 May 90 pp 4-5

[Interview with Colonel Karol Kociałkowski, chief of Cadre Department, Warsaw Military District by Stanisław Kulaszewski; place and date not given: "Coming Out From Under the Umbrella"]

[Text] [Kulaszewski] I see on the sign on your desk, sir, the sentence, "We are here to solve problems and not to create them." What problems cause the most trouble?

[Kociałkowski] We lose the most sleep over problems connected with restructuring. The Warsaw OW [Military District] was the first one to undergo the process. It began with two divisions—Lublin and Rzeszow. Later, other units were included. There is a reduction in the size of the district command. We are trying to have some proposals for people involved in the restructuring process.

[Kulaśzewski] Let us get right to the point, what kind?

[Kociałkowski] Most often we propose a change of unit and, therefore, of garrison. To those who are not leaving for the reserves because they are still young, we are proposing further service in other units, sometimes in another military district.

[Kulaśzewski] Who from Krakow or even from Lublin or Rzeszow would move, for example, to Orzysz or to, let's say, Gubin?

[Kociałkowski] Young professional soldiers make a mistake in trying to connect their careers with a single garrison. Career service in the military is, after all...service. One goes wherever the opportunities for professional promotions are greatest. That is so even if it means moving to a garrison in the "backwoods." Unfortunately, we have our share of young people with a consumerist mentality.

[Kulaśzewski] Maybe that stems from uncertainty about tomorrow? Who wants to go into the unknown? In the new "backwoods" garrison we are talking about, there are no guaranteed opportunities either. Even if it were a question of moving up...

[Kociałkowski] Often in the course of resolving cadre dilemmas, we propose that a young officer go for two or three years to a "green" garrison. We promise that he will come back. We do not require a family move. Unfortunately, today it is hard to make sacrifices.

[Kulaśzewski] Maybe that is because the prosaic aspect of life has replaced the romantic one. Who today believes in promises? What is certain today proves untimely tomorrow. Let me get back to the question that ought to have begun this conversation: Who is today's cadre officer?

[Kociałkowski] The cadre officer is a person who carries out the decisions of his commander, but above all, he is his commander's advisor. The cadre officer presents to the commander proposals that are worked out on the basis of the cadre officer's knowledge and experience. Making use of his own qualifications and ability, the cadre officer selects people capable of filling new positions and selects candidates. Before making many decisions, a commander needs to have the cadre officer's proposals, his final opinions. In this way, it is easier for the commander to choose one person from among the most worthwhile candidates.

[Kulaśzewski] Today, in a period of restructuring, it is harder to build a career...

[Kociałkowski] That's right. It was possible before to build a so-called career by going to the military academy, moving on through a series of higher and higher positions. And now just imagine! In the current year, the Warsaw OW is not sending anybody to the military academy. In terms of available positions requiring academy training, we have too many "academics."

[Kulaśzewski] A sign of the times. Smaller military. Fewer positions including academic ones (officers who have completed the military academies). Right now I am wondering whether the once so highly esteemed military cadre policy has collapsed. What is left of it?

[Kociałkowski] A lot is left. I can even say that almost everything is left. We still have the Accelerated Development Fund. Although I do have to admit that the higher one goes up the ladder, the more crowded it is. We continue to be interested in the most talented. The superior candidates have our particular attention.

[Kulaśzewski] You probably do not contest the idea, though, that in the cadres there is shrinking hope about making a military career and that restructuring has caused a lot of commotion.

[Kociałkowski] But, on the other hand, you must admit that viewing the process from another perspective, one can advance the thesis that restructuring will permit the putting in order of military cadres. In the Warsaw OW, restructuring also permits us to separate ourselves from mediocre people who contribute little to military life. Let us be fewer and better, let us see in the military a return of the ethic of work and service such as it is imagined by the majority of people.

[Kulaśzewski] You have in mind the exalted authority of the officer and the career soldier in general, his esprit de corps—the former spirit of comradeship, snap, intelligence.

[Kociałkowski] That is exactly what I have in mind.

[Kulaśzewski] Why, then, are we parting with the young cadres instead of forming and schooling them into the pride of the nation?

[Kociałkowski] In the initial phase of restructuring, the junior members of the units that were dissolved concluded that they could make a life for themselves in the civilian sector. Last year, we responded negatively to written requests for discharge. But these people had determination. They kept writing until they were discharged. And they were able to find jobs for themselves in the civilian job market. Now the outlook has changed. Jobs are scarce, unemployment is on the rise. For those reasons, therefore, cadres considering leaving the military think the matter over very carefully.

[Kulaśzewski] Still, cadres are being let go.

[Kociałkowski] Before saying goodbye to a career soldier, we exhaust all possibilities in order to settle matters satisfactorily as far as both sides are concerned, ours and

the soldier's. Thus we talk things over many times, try "a lot of things on for size" for everyone's benefit. I want to state that we still have positions for young officers in our district.

[Kulaszewski] And what about the senior officers?

[Kociałkowski] We cannot speak here about high positions. But, after all, if somebody has their years of service in, he can look around for something new—with our help, of course.

[Kulaszewski] What do you propose?

[Kociałkowski] In life one should not hang on to a single option (forgive me for expressing an unpopular opinion here). There are courses for becoming retrained, for acquiring a new profession. In every person there is a dormant potential that he perhaps never dreamt existed. But one must be bold and try things out.

[Kulaszewski] Those are generalizations, slogans. The reality in which many of us have found ourselves, or in which we are soon to find ourselves, is excessively harsh. The background of a person counts, and a military background does not foster success in civilian life.

[Kociałkowski] It is true that the situation is not an easy one. But one must cope with difficulties, overcoming them. One cannot give in. In the Warsaw OW we do whatever possible to work our way out of predicaments. We set up cooperation with civilian communities. The Ministry of Labor and Social Welfare [MPiPS] has promised to help us. Our discernment tells us that former soldiers can count on an improvement in their situation.

The MPiPS also promises the opening of regional and voivodship offices for employment affairs. We will look for possibilities there. In my opinion, however, every person must also demonstrate a maximum of self-reliance. The period of exercising guardianship over people has ended.

[Kulaszewski] In other words, we are folding up the protective umbrella over the cadre, its families and military personnel.

[Kociałkowski] I would not put it that way. It is rather that it is necessary for the cadres to come out from under the umbrella which ensures full social and professional protection. Then every person must embark upon his own "struggle" for existence.

[Kulaszewski] Please forgive my frankness. Basically, you are not proposing very much.

[Kociałkowski] My dear sir, we took a poll at the Warsaw OW in which we asked what the cadre expected of us with regard to restructuring. What are we supposed to do? The result indicated that the soldier's profession has driven ingenuity and enterprise out of the cadre. The cadre, threatened with being let go, really does not know what it wants. There were only a few proposals made. One person wanted to become a tour guide but did not know foreign languages; another wanted help to set up a company, but still did not know what sort of company. Could we help to fulfill what can bluntly be called such whimsical fantasies?

[Kulaszewski] So what next?

[Kociałkowski] You persist in provoking me to express unpopular views. I am not afraid to say what I think. My dear sir, the cadre must alter its way of thinking quickly and very radically. These are not times to be led by the hand. Today the world belongs to the industrious, the enterprising and the competent, and one must try to become this type of person. Only a few people are in need of guardianship—the handicapped or the very elderly. This does not mean that we do not offer assistance at the Warsaw OW.

But we do not exaggerate.

[Kulaszewski] I also noticed another slogan—the motto on your desk: "Don't come to me with a problem if you don't have at least one proposal for solving it." To whom is this addressed?

[Kociałkowski] It is addressed to my subordinates. But this motto can also have universal significance. It is not enough to demand help from others in solving problems; one must also offer something of oneself. Problems must be solved jointly.

[Kulaszewski] Thank you for the interview.

CZECHOSLOVAKIA**Minister Comments on Plans, Challenges of Light Industry**

*90CH0191A Prague MLADA FRONTA in Czech
19 May 90 p 3*

[Interview with Petr Hojer, minister of industry of the Czech Republic, by Eva Prochazkova; place and date not given: "Not Dirt Cheap"—first paragraph is MLADA FRONTA introduction]

[Text] Until recently there were still 97 light industry enterprises controlled by the Czech ministry of industry. The average number of employees is 1,050 (20 percent are not involved in any production profession), which in comparison with industrialized countries is a rarity in this branch of industry. Equally rare is their almost exclusive positions in the market. The logic of the development of our economy says that a lot needs to be changed here as well. But we wanted to hear it also from the minister of industry of the CR [Czech Republic], Petr Hojer. We therefore asked him:

[Prochazkova] Is a tendency to break up into smaller units already showing up in your enterprises? And are you favorably inclined toward this?

[Hoyer] It is showing up and at the ministry we have already received more than 100 requests for independent operations or the creation of state enterprises. But not all of them are such ones as promise support to getting rid of monopolies and a number of them have nothing to do with increasing the ability of our goods to compete. Sometimes very simplified ideas about the functioning of self-financing and about the flow of subsidies as well predominate in the requests and they often are motivated mainly by a view of the existing enterprise management as obstacles in pursuing their own interests. I fully support demonopolizing the consumer industry.

[Prochazkova] What requests do you then call justified ones?

[Hoyer] We evaluate the actual capabilities for self-financing and development and consider whether the enterprise has a monopolistic position in its own part of the market and whether breaking it up will create the prerequisites for demonopolization. And also if the enterprise will lose its economic forces and its position in the foreign market if it gets broken up.

[Prochazkova] Have some enterprises made it through this sieve?

[Hoyer] Since the beginning of the year, there have been 49 new enterprises established, with most in the publishing industry (25). Four requests were disapproved because the new enterprises would not have met the guidelines for state enterprises and would not have helped to create the competitive structure that we need so much. Two requests were withdrawn by the people who proposed them. In the next stage the remaining proposals will be decided upon gradually. A total of 178 state enterprises fall within the departmental area of the ministry of industry, both from the consumer and the chemical and rubber industries.

[Prochazkova] Light industry lived for many years off its capital, off the heritage from the past, and it seemed rather a miracle that it "rescued" our export accounts. Even back in 1986 it was waiting for attention and modernization programs. But now this is the end of subsidies...

[Hoyer] In the modernization decrees for 1986 through 1990 we achieved a certain headstart, so this program is still being carried out even despite the problems with financing. A new program, originally planned for the Ninth Five-Year Plan, will not, of course, be implemented. It is possible to utilize only one's own resources, credits, and foreign capital for modernization.

[Prochazkova] Foreigners supposedly are showing an interest, but mainly in sales and at low prices. We are also hearing from former owners; are they not putting the condition of repayment on their participation with capital?

[Hoyer] Foreign entrepreneurs are showing great interest in cooperation with our enterprises, but we are also looking for foreign partners for specific fields. I have already carried out many negotiations, but that tendency or demand has not showed up in them. I am continuing negotiations with the Bata company on their entry into our footwear industry and the sale of footwear. At the enterprise level, contact has been made with the former owners of Elite Varnsdorf and Bytex Vratislavice. Of course, there is generally a great danger in the possibility of selling our enterprises at less than they are worth. It is necessary to make use of professional foreign organizations which deal with assessing the ownerships of enterprises and to make comparisons of the value. Our potential partners still lack any guarantee for the protection of their investments and rules for the redistribution of profits. I am convinced that decisions about the philosophy and specific accompanying steps in radical economic reform will move this essential area in entrepreneurship rapidly forward as well. The matter of ownership by former owners must, however, be judged by the appropriate federal agencies.

[Prochazkova] What kind of concept for the further development of light industry and a market for its products do you then have?

[Hofer] The importation of selected top-quality technology and materials and particularly the entry of foreign goods into our market. This combination should gradually serve to meet the consumer demands and to create a strong environment of competition, but also to balance out the make-up of the market with that of Western countries. We are a small economy, poor in our raw materials, and there is no way that we can choose to produce the whole range of products. And despite this fact the share of imports of consumer goods here is only four to six percent, while in industrialized economies it is 40 to 60 percent. The necessary diversification will also create the pressure for competing that is so necessary for our enterprises; either they produce well and cheaply or they have to give it up.

My philosophy is this: get away from the usual goods, gradually squeeze them out, and replace them with imports from the developing countries with cheaper labor and with enough raw materials for their consumer industry. And at home we will compete by producing goods with higher use values and join together with foreign partners who make first-class goods. We will supply those goods for the domestic market and also for export and thus get into the higher price category.

[Prochazkova] Of course, this philosophy presumes a lot of intervention into the manufacturing organizations.

[Hofer] It is already well-known that the best companies in the world have twice as high productivity of labor in their enterprises. At the same time, the technical equipment in a number of production operations, say in textiles, is not very different other than the automation of partial operations. But they have a different make-up in their employees, a different management, and a different organization of the work. They also do not have any problem with bringing in materials. If you were directing the question at a reduction in the number of people, well, so far our enterprises are suffering rather from a shortage. Of course, with a restructuring of the economy the situation will be different; there will on the contrary be an excess of labor and not only those coming over from other branches, but also from our own enterprises. But we must again reckon on the departure of foreign workers, over 12,000 of whom are here, and with the drain of people into the private sector.

[Prochazkova] Do you think that there will be a rapid growth of dangerous competition in the private enterprises or will they just leave you alone for the time being?

[Hofer] To the benefit of the market, there normally exist hundreds of small companies and large enterprises alongside each other. Of course, the private operator must have, in addition to the legal and economic conditions for his work, the capability of working somewhere, on something, and with something. In a given situation it will obviously be most difficult for him to find materials, even the cooperatives have trouble with that. I therefore

think that in contrast to services their entry into production of goods will be slower, but definitely here too it will take on importance.

HUNGARY

University of Economics Offering Courses in Risk Management

90CH0144C Budapest VILAG in Hungarian 3 May 90 p 7

[Unattributed article: "Risk Management Techniques"]

[Text] The first course of the Risk Management Academy, organized by the Institute for Management Training at the University of Economics and sponsored by the State Insurance Enterprise, will begin on 20 May. Since the 1970's, and especially in the United States and Western Europe, the forms of instruction in risk management have become an effective trend in management training, with the main emphasis on learning risk-sharing techniques and the methods of containing losses. The purpose of the series of courses now beginning in Hungary is to acquaint entrepreneurs, owners, and enterprise managers with the latest practical methods and techniques for managing business risks. The lecturers will be Hungarian researchers, senior bank officials, and experts of international renown. The tuition fee for a three- to five-day course will range from 6,000 to 10,000 forints. The organizers would like to hold at least 15 courses this year, to which they invite the managers of small businesses.

International Futurology Conference To Be Held in Budapest

90CH0144B Budapest VILAG in Hungarian 3 May 90 p 8

[Unattributed article: "It Is Now Permissible To Research the Future"]

[Text] There has been futurology research in Hungary since 1968, but the fate of this scientific discipline was sealed for a long time in 1972, when the main topic of the conference that year was the likelihood that the country was not following the ideal road to socialism, and that there could be other roads as well. Naturally, publication of the prepared analysis of this topic was immediately blocked, and research into the future was branded "a bourgeois science." Thus, even though experts claim that it is a gamble to attempt to plan without a forecast, the results of the banished scientific discipline have not been able to influence economic and political decisions in recent decades.

Nevertheless, the next international futurology conference will be held in Budapest. This is due not only to our experts' having gained much greater reputations abroad than at home, but also to the fact that East Europe is in the center of international attention these days. This attention is clearly reflected in the response to the

scheduled international conference: So far 600 persons from 80 countries have booked to attend, either as conferees or as speakers. The main topics of the conference are evolving accordingly: East Europe's socioeconomic model, and the future of the Hungarian people. But the futurologists will also debate what the world will be like 50 years from now.

POLAND

Economic Consultant Outlines Main Problems Facing Agriculture

*90EP0599A Warsaw RZECZPOSPOLITA in Polish
14 May 90 p 2*

[Interview with Richard Rozwadowski, economic consultant, Main School of Rural Economy, by Edmund Szot; place and date not given: "The Problem Is Efficiency"]

[Text] [Szot] You have been in Poland for six months and you have looked at a few dozen State Farms and private farms. What can you say on the subject of the problems in Polish agriculture?

[Rozwadowski] Perhaps I will begin by saying that there is no problem of production in Polish agriculture. However, there is a problem of efficiency. You have good climate and soil conditions, good buildings, not-bad machines, but you have a very bad structure of private farms and an enormous overemployment in the state farms. I saw state farms where production is the same as in the West, but there are three to eight times too many people.

[Szot] Aren't you exaggerating?

[Rozwadowski] No, I am not exaggerating. In England I operated a 100-hectare farm where I first raised bulls and sheep, then 120 cows, and two of us worked the farm. I know another farm, covering 120 hectares, where five people are employed, and the owner became a journalist because there was no work for him on the farm.

In Poland a state farm which covers 1,200 hectares employs 150 people. If only 50 of them were dismissed, costs could be reduced by \$60,000 a year. And the dismissed employees could be given jobs in processing. But no one here thinks about this.

[Szot] Surely such a simple comparison cannot be made between Polish agriculture and English...

[Rozwadowski] Simple, perhaps not, but under certain conditions? For example, to equip one and the other is the same. I have not seen a single state farm which does not have three times too many tractors. I also saw 7-hectare private farms which had two to three tractors. Because one was bought as an investment. In the West this is unthinkable. There, when someone buys a truck for \$80,000 he repairs it only at night, because during the day it has to be driven in order for it to pay for itself.

That is why it seems to me that in Poland there is no problem of lack of means of production either, the problem is their utilization.

[Szot] What else struck you about our agriculture?

[Rozwadowski] The very large disparity in crop yields. Here it is like this: good director, good yields—bad director, bad yields. And the soil is the same for both. In the West, the second one would already have bankrupted. For someone in the West, the enormous differences in procurement prices would also be incomprehensible. For example, in Kalisz Voivodship the farmers are obtaining 400 zlotys for milk and elsewhere the price is 850. This says that the distribution is very bad. In the West, even small price differences cause movement. I don't know, maybe we should privatize the State Motor Transport.

[Szot] You didn't see any good farms in Poland?

[Rozwadowski] I will put it this way: I saw better and worse state farms, but I did not see a good one. However, I liked one private farm near Piaseczno. The owner has 200-some hectares and is raising 80 bulls. He does not employ anyone and furthermore, he does not have a telephone. Under these conditions, I believe, his efficiency is completely satisfactory.

[Szot] But the average farm in Poland is five hectares...

[Rozwadowski] I know. And I also know that not much is being done to make it more. For example, at this moment 25 percent of the farmers are of retirement age. Why not encourage them to dispose of their land? It seems to me that the Ministry of Agriculture does not have a concrete concept of structural changes and is just letting nature take its course. And in the EC, for example, there was a great deal of intervention in these matters and this helped in speeding up some changes.

[Szot] But some of the farmers do not think these changes are at all necessary.

[Szot] Because they are not giving thought to what part of his income the consumer has to allocate for the purchase of food. And at present this is over 60 percent. That is why the farmer should stop and think that anyone who is earning \$50-60 a month can no longer afford to pay more. Then he should stop and think, am I able to produce more cheaply?

[Szot] And does he have this ability?

[Rozwadowski] I already said that this is a matter of work efficiency. But also knowledge. For example, your cattle is genetically very good. Polish calves and heifers are highly sought in the West. But here their productivity is low because they are badly fed, because the meadows and pastures are badly used, the soil is sour, and sanitary conditions are bad. Hence the low quality of the milk.

[Szot] What is your opinion of the multi-sector aspect of Polish agriculture?

[Rozwadowski] The longer I am in Poland the worse my belief about the future of the State Farms. Initially, some kind of semi-privatization would be necessary here. For example, if there is a construction group in the State Farms, or a repair shop, couldn't they be companies? Or this overemployment in the administration, where 50 people sit around and practically nothing is being done. In England or the United States, a farmer is sitting on a tractor from early morning. Does a State Farms director ever work like this? Therefore, maybe total privatization is needed. Maybe this land should be sold to a group of young farmers, giving them cheap credits.

[Szot] There were already attempts in Poland to organize such a settlement, on the so-called "Eastern wall," but they were not successful. The young people fled, because, as they said, there is no infrastructure there.

[Rozwadowski] In my opinion, the infrastructure in Poland is not bad. You have good railroads, the State Motor Transport can reach almost every village, and in the West there are places where a bus comes by only once a week. So what more does such a farmer want? A state road leading to his gate? I know that there is a shortage of telephones in the countryside, but that is a matter of a couple of years. On the whole, I am optimistic about Poland's future. You have a well-educated society and you are much closer to the EC countries than to the third-world countries.

Bank of Silesia Evaluates Local Economic Losses, Growth

90EP0610B Warsaw RZECZPOSPOLITA in Polish
17 Apr 90 p 2

[Article by Barbara Cieszewska: "The Enterprise as Seen by a Banker"]

[Text] How does the Silesian economy look from the viewpoint of the Bank of Silesia? "No names of individuals or names of plants," warns the bank in view of professional secrecy. But we learned that 16 enterprises lost their creditworthiness, or very simply, they are close to bankruptcy. There are also signs of changes for the better.

Many organizational units reported that they intended to increase their production, as compared to March. Price reductions are also in the offing: Katowice Steelworks, an average of 20 percent; Pollena in Raciborz, 10 percent; Florian Steelworks, 30 percent. There is a perceptible growth in export. That, for example, is how Pledan (blankets) in Skoczow, the Silesian Cable Factory in Czechowice, and many others, are rescuing themselves. There is also a large group of enterprises which are announcing that there will be a growth in production in terms of value as well as materials, i.e., not only through higher prices.

The situation in mining continues to be difficult, and presumably in the second quarter it will be even worse.

Things are also going badly in the light industry enterprises, particularly in Czestochowa voivodship. Production is being reduced and the work week is only 4 days. The financial logjams are still there—"lack of current liquidity," as the bankers say. Bills of exchange still cannot get through. During a period of 4 months, the bank accepted bills of exchange amounting to scarcely 4 billion zlotys, and those were only its own bills, not bills transferred for payment. On the other hand, there is an increased demand for credit and the bank is making a thorough examination of the enterprises' proposals. A large number of organizations are applying for credit for development and many of them are submitting proposals for cooperation with foreign capital. In the opinion of the bank, this is a very positive phenomenon.

Nonpayment of Dividends, Taxes by Enterprises Discussed

90EP0610D Warsaw RZECZPOSPOLITA in Polish
27 Apr 90 p 2

[Article by P.A.: "Seizure Is Near"]

[Text] In March, 2,776 enterprises did not pay a dividend or at least one of the basic taxes. Of these, approximately 1,270 firms settle their accounts with the central budget, while approximately 1,500 with the local budgets. However, the weight of these enterprises differs. The total arrears amount to 2.7 billion zlotys, including 2 billion of unpaid income tax. The enterprises which settle their accounts with the central budget account for about 90 percent of the arrears.

In March, the number of enterprises which did not pay a dividend dropped sharply, from over 1,400 to slightly under 1,000. This was not due to a sudden improvement in financial status but rather due to the fact that the parent organs and the Ministry of Finance became interested in who did not pay dividends for January. Presumably, at least some of the enterprises, although they had the money, did not pay the dividends because they counted on the apathy of the state treasury.

As the above information shows, had all of the firms paid their taxes, the dominance of incomes over expenditures in the central budget would have been even greater; on the other hand, the situation in the local budgets, which have been experiencing financial difficulties since the beginning of the year, would not have improved much. According to the deputy minister of finance, Andrzej Podsiadlo, the local authorities are too quick to agree to late payments or postpone them of their own will. It also appears that although the central budget, in order to balance its income with its expenditures, made certain cuts in expenditures, the local budgets did not do so.

The Ministry of Finance has recommended that seizure proceedings be initiated against those enterprises which are in arrears with their taxes. This will make it possible to exact the taxes from the enterprise's bank account. If this turns out to be impossible due to lack of sufficient funds in the account, the seizure may apply to the

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enterprise's fixed assets. It is doubtful that the court's executive officer would seize a large furnace, but it could, for example, seize all of the enterprise's passenger vehicles or other movable assets. "The seizure will be painful," said Minister Andrzej Podsiadlo in an interview with a group of journalists.

No names of specific enterprises were mentioned at the meeting. Figures from the Main Office of Statistics show that relatively low profits were recorded during the first 2 months of the year by the coal industry, domestic trade, and some enterprises in the food, light and transport industries. However, these are "accounting" profits, while the ability to pay taxes is determined by the actual state of the enterprise's treasury. It will take several days to find out which enterprises really have ongoing problems in paying their taxes.

Debate Over Sales Tax Issue Seen Continuing

90EP0610E Warsaw RZECZPOSPOLITA in Polish
20 Apr 90 p 2

[Article by K.K.: "A Higher Sales Tax, But a Uniform One"]

[Text] One of the most serious charges in relation to the functioning of the economy as it is being changed, is the continuing inequality of the law as it applies to various economic organizations. This pertains particularly to sales-tax rates. Although the law governing this was amended late last year, the old executory regulations have been in effect.

Now, by virtue of the order and directive No. 26 issued by the minister of finances on 17 April 1990, the detailed rules of this taxation are subject to change. The order, which applies to sales-tax rates for individuals and legal entities that are not units of the socialized economy, and reductions, exemptions and payment procedures, states that the same tax rates will apply as in the case of units of the socialized economy.

The basic sales tax on domestic and imported products will be 20 percent (instead of the 15 percent in the past), with the exception of products of the electronic and electrical engineering industry, where the tax rate will be 25 percent (instead of 20 percent). This also means, reports the Ministry of Finance, that all products taxed at a rate less than 20 percent in producer-goods deliveries are exempt from the sales tax.

The order also standardizes the taxation of trade and service operations. Furthermore, in order to create favorable conditions for foreign capital to invest in Poland, capital construction-assembly jobs performed for foreign enterprises, will be exempt from sales tax.

Further, directive No. 26 issued by the minister of finance on sales-tax rates on public-sector units of the economy and reductions and exemptions from this tax, extends the rules for sales and investment and coproduction of producer-goods articles, to all units of the

economy. In the past, private-sector units were discriminated against in this regard.

The Ministry of Finance is afraid that this extension may be abused, i.e., that the articles will be sold on the retail market at prices which do not include the sales tax. Therefore, when buying from public-sector units, private-sector purchasers, in compliance with the directive, will have to show that they have licenses and also submit a certificate that the goods being purchased will be used for production or service purposes.

This directive also eliminates the past tax preferences for sales in domestic export.

RZECZPOSPOLITA will publish the full text of both these new Ministry of Finance legal documents on 26 April in the next REFORMA GOSPODARCZA Supplement.

Restructuring Plan For Railways, Fare Increases Noted

90EP0598A Warsaw TRYBUNA in Polish 11 May 90 p 1

[Article by Tomasz Szymanski: "A Long Way to Europe"]

[Text] Are they coming? They're coming! Although (economically) as weak as flies. The economy has "sat down;" tickets are expensive; there is nothing and no one to carry; its structures are disrupted, swallowing extra money. An antiquated organization. Just any kind of trains. Sad stations. Railroad workers are not very satisfied.

The rail system transports 60 percent of the quantity of goods that it did in the late 1970's and early 1980's. However, it has larger holdings to support than ten years ago. The rail syndrome thus presents itself as follows: less and less money with greater and greater costs.

The activities of the PKP [Polish State Railroads] can be divided into three sections: transport; industry, which includes subsidiary production plants and production-repair plants for the needs of the railroads; and construction for the needs of the railroads and their employees. All together, there are 430,000 employees.

Operational cuts—as they are planned—will go along the line that separates transport operations from all other operations. The railroad construction, production, and rolling-stock repair plants and also some service installations will become independent companies.

Health will not yet return to the weak organism. In order to stand on its own feet, according to estimates, it would be necessary to raise transport rates two or three times this year. But no passenger (nor anyone who authorizes freight shipments) would be able to endure that. Therefore, other forms of financial strengthening must be established for the railroads. At the same time, the exceptional frailty of the central budget must be taken into consideration.

Since last year, the railroad has been able to count on subjective subsidies ensuring the financing of 50 percent of the costs incurred in building, among other things, railroads with viaducts, bridges, and tunnels, the building of stations, stops, and also other types of roads, mainly circular ones and access roads for pedestrians. There are also objective subsidies covering the deficit in passenger transport. The costs of maintaining the already existing infrastructure is partially made up for.

Besides that, the railways can count on an exemption from paying dividends, turnover tax, real estate tax, and land tax.

That is not a little. But for the needs of maintaining the organism, it is still not much.

Earnings from transport fares will be the most important part of income. However, besides that, the railways will have to look for money wherever they can.

The structure of the railway organization—which consists of the General Administration, the eight regional administrations, and other regional and district branch offices, and so forth—must also undergo a marked simplification. This mess simply costs a lot of money and should be unravelled.

What will the passenger get from all this? In the distant future, if everything goes according to plan, his situation is supposed to be better.

It is supposed to be better. If it comes to that, his situation will be worse. As a result of the suggestions and offers that could not be refused, which came from, among others, the World Bank, unprofitable rail lines will be closed. For some people, this will lengthen the route to work or to town for shopping.

[Box, p. 1]

The Ministry of Transportation and the Sea Economy is informing the public that after 1 June of this year the prices of train tickets as well as tickets for PKS [State Motor Transport] intercity bus transportation will be raised by 100 percent on average.

For social reasons, during the period from 1 June to 1 September, rail fares for organized children's and youth groups at summer colonies and camps will be incurred according to the prices prevailing before 21 May of this year.

Beginning 1 June, the PKS will introduce so-called accelerated transport, in which the prices for out-of-town tickets will be 18 percent higher on average than the charge for normal transportation, and 15 percent lower than that of intercity, fast transportation.

PKP and PKS tickets can be acquired by advance purchase until 31 May of this year at the old prices.

Second MEDICAT Stock Issue on Market; Firm Described

*90EP0610A Warsaw RZECZPOSPOLITA in Polish
28-29 Apr 90 p 2*

[Article by A.Z.: "Second Issue of MEDICAT Stock"]

[Text] The second issue of stock in the MEDICAT S.A. Innovations-Applications Enterprise has appeared on the market. The press announcement does not give full information about the firm and there is no enterprise in Poland which specializes in the sales and promotion of stock. That is why in our column headed "Worthwhile Or Not," we want to tell our readers what was not in the announcement.

We have learned that MEDICAT S.A. is a firm which was established in 1985. It manufactures electronic apparatus to measure the parameters of milk and it produces weight scales for laboratories and shops, and hanging scales for use in bazaars and for weighing vegetables. It is beginning the production of ion analyzers, equipment to detect the degree of pollution of the air, plants, vegetables and fruits. It provides refrigerator-truck and other specialty transport services. It will soon enter the market with equipment to produce waterless milk fat and powdered skim milk. At the International Trade Fairs in Poznan it will demonstrate a computerized service for shops and warehouses. It is a shareholder in companies in the West and in the USSR.

A photograph of the president appears in the announcements on the stock issue. "I want to guarantee the integrity of our offer not only with the name, but with my own face," says Andrzej Misiorny. Of course, a deciding factor is not only the face, but also the firm's financial statement.

MEDICAT employs about 100 permanent employees and 600 associates. In 1989 the profit was 1,258 million zlotys, of which over 47 percent went to the state treasury and almost 40 percent was allocated for developmental purposes.

The surplus of assets over liabilities amounted to 791 million zlotys, with profitability exceeding 10 percent.

At a price of 100,000 zlotys for stock with a nominal value of 10,000 zlotys, the firm guarantees a six-month 300 percent advance on the dividend; 30,000 zlotys does this, which, if the inflation rate remains at 2-3 percent a month, appears to be advantageous.

State Ownership of Centrum Department Stores Dissolved

*90EP0610C Warsaw RZECZPOSPOLITA in Polish
25 Apr 90 p 2*

[Article by A.S.: "New Owners for Centrum"]

[Text] The decision has already been made. Beginning in June, half of the Centrum Department Stores will change

ownership. At present this is a multi-department state enterprise (approximately 40 stores, a few production plants, and warehouses). Their parent agency is the Ministry of Domestic Trade. Soon, initially some of the stores, will become independent and will convert themselves into companies. A capital fund will be established, 51 percent of which will belong to the employees and the remainder to the enterprise. The cost of a single share, available to a member of the workforce, is 500,000 zlotys. The enterprise's contribution is mainly the fixed assets, and the funds from the shares will be allocated mainly for the purchase of goods.

"Our employees, supported by the workers' council, do not want to wait until the law on privatization is passed," explains Centrum director Stanislaw Rudzki. We are treating the present solution as a pathway to the final conversions. Ultimately, in accordance with the above-mentioned law, the enterprise will convert itself into a state treasury company and stock accessible to everyone will be issued.

Now, in the first stage, employee companies are already being formed, e.g., in the Warsaw department stores Praga and Wola, and in the Plock department store. Companies are being planned which will cover part of a building, a few counters, or a floor. In additions, offers have come in from foreign entrepreneurs from the United States, Scandinavia and France, who want to form joint-venture companies with Centrum. This is good, especially in the case of those department stores which require modernization. It would be difficult to implement such investments without foreign capital.

The ownership conversions in Centrum are another step in the broadly understood privatization of trade. At present, approximately 4,000 shops are in private hands. This is not much compared to the 123,000 existing shops. But neither is it little in a situation where this is a shortage of really basic regulations in the form of a law on privatization and an amendment to the law on accommodations (both documents are already in the Sejm), and on questions pertaining to user accommodations. That is precisely where most of the difficulty arises in taking space away from its present users.

A tax decision was made recently which should help the privatization process. Beginning in May of this year, private firms, just as socialized firms, will be subject to a sales tax amounting to one percent and not five percent. Newly formed sales firms, selling food, farm and horticultural articles (but not flowers), will be exempted from sales tax and income tax for two years. However, those selling industrial articles will be exempted for one year. But in both cases this is on condition that the firms will continue to operate for at least the next two years.

YUGOSLAVIA

Changes In Existing Tax System, Policy Urged

*90BA0159A Belgrade EKONOMSKA POLITIKA
in Serbo-Croatian 4 Jun 90 pp 16-17*

[Article by Tomislav Dumezic: "Financing Joint Functions"]

[Text] In addition to unified money and monetary policy, foreign economic relations (exchange rate, export incentives, import regulations, tariff and nontariff protection), measures to encourage uniform economic development and stimulate investments in undeveloped areas, it is also necessary to construct and operate a unified tax system. The unified performance of this function does not mean a complete transfer of all powers in this area to the joint state. The tax policy that is mostly conducted through the system of tax reductions and exemptions from paying taxes and the determination of untaxed property assessment should remain under the jurisdiction of the republics, and partly under the jurisdiction of the opstinas, because that is the only way in which the specific needs of individual regions can be expressed. Competition in the area of taxation can also contribute to the overall reduction of the tax burden and an increase in the efficiency of the state administration.

In Yugoslavia, it is essential to construct a unified and efficient tax system, especially since the existing tax system does not meet the basic economic and social criteria that should be the basis for every tax system, and not just because of the great differences in the method of taxation in the individual federal units. In the first place, there is an incomprehensible division into taxes and contributions, even though certain classic state functions are financed from contributions. In the second place, there is a pronounced predominance of indirect taxes (turnover tax, tariffs, and import duties), while the so-called direct taxes (taxes and contributions from income and from personal incomes) are also closer to a value-added tax than to direct taxes. In the third place, the classic direct taxes—a tax on the profits of legal persons and a progressive tax on the income of citizens—are virtually completely nonexistent.

The basic prerequisites on which the Yugoslav tax system should be based are the following: stability of the tax system, the satisfaction of economic functions, and the satisfaction of social functions. The stability of the tax system is the basic prerequisite for the investment of private domestic and foreign capital, which means that tax stability is a prerequisite for economic development. A domination by social functions would have a disincentive influence upon increasing the profits of legal persons and the total earnings of citizens. On the other hand, it is also essential to satisfy the principle that economically stronger entities contribute considerably more to the satisfaction of joint needs. It follows from this that an

adequate combination of these two criteria (a proportional tax on profits and a progressive tax on the income of citizens, where the rate of progression would not exceed 50 percent) makes it possible to construct an efficient tax system.

Indirect taxes (taxes on consumption) cannot be avoided, not just because they are present in the tax systems of all states, but also because of specific Yugoslav conditions. Large direct taxes would have to have a disincentive effect upon investments, development, and the volume and quality of economic activity, and this would prevent gradually emerging from the crisis. For this reason, it is necessary to retain the turnover tax, although with both quantitative and qualitative modifications. The turnover tax should be reduced and brought closer to the rates of the value-added taxes in European countries. Qualitatively, it is necessary to narrow the range of tax rates. High prohibitive rates discourage the corresponding production, and encourage illegal trade. There are justifications for having separate higher tax rates for tobacco products, oil derivatives, and alcoholic beverages.

Tariffs and other import duties have to be uniform throughout Yugoslavia. These taxes (federal turnover tax and tariffs and import duties) could be original revenue for the federal state.

A unified tax system also presupposes the unification of direct taxes. This includes taxation of the profits of legal persons, and taxation of the income of citizens. It would be efficient to have the tax on the profits of legal persons set at proportional rates, and the tax on the income of citizens set at progressive ones (application of a progressive stepped scale). The uniform setting of these direct

taxes does not mean the complete uniformity of tax policy. It is quite normal to have a republic or opstina decide on tax reductions and tax exemptions for legal persons. Also, establishment of the untaxed property assessment for citizens, as well as the reduction rate or tax concession, should be under the jurisdiction of the republic or opstina.

The financing of joint functions must be based on principles that suit the interests of all the republics. Consequently, it cannot be based exclusively on economic or social criteria, but must represent an adequate combination of them. That means that the financing of joint functions cannot be based on the principles that direct and especially progressive taxes are based on. Likewise, it cannot be based on assessment of the services or calculation of the expenditures by the federal state that pertain to individual republics. It follows from this that the acceptable principle is financing joint functions in proportion to each republic's share in the social product.

As in the past, the federal state would be financed from two sources of revenues: original revenues, and contributions from the republics. The original revenues could be a federal turnover tax, and tariffs and other import duties. The rest, up to the total budget revenues established by law, would be distributed among the republics in proportion to their share in the social product.

This kind of approach, which proceeds from the joint interests of all the republics (separation of the tax system and the means of financing the federal state) makes it possible to construct, adopt, and operate a unified modern tax system, which, with its social function, will stimulate development and permit competitive behavior by sociopolitical communities.

SOCIAL

INTRABLOC

Religious Leaders Protest Minister's Legislative Concept

*90CH0227A Bucharest ROMANIAI MAGYAR SZO
in Hungarian 10 Jun 90 p 3*

[Text of two letters by Catholic and Protestant bishops and church officials to Romanian Minister of Religious Affairs Dr. Nicoleau Stoicescu]

[Text] At the invitation of Unitarian Bishop Dr. Lajos Kovacs the bishops of the Hungarian churches in Transylvania held a meeting at the Unitarian bishopric of Kolozsvár [Cluj] on 4 June at 1800 hours. In addition to the host bishop, the following persons took part in the conference: Transylvanian Reformed Church Diocesan Bishop Dr. Kálmán Csiba; D. László Tokes, Bishop of the Reformed Church Diocese of the Kiralyhago vicinity; D. Pál Szedressy, superintendent of the Council Presbyterian Evangelical Church; József Tempfli, the Nagyvárad [Oradea] Roman Catholic Church Diocesan Bishop; Dénes Csiki, director and counselor of the Gyulafehérvár [Alba Julia] Roman Catholic Church district; Dr. István Dobai, chief superintendent of the Transylvanian Reformed Church Diocese; Dr. László Podhradszky, the universal superintendent of the Council Presbyterian Evangelical Church; Dezső Jenei, chief superintendent of the Unitarian Church; D. Dr. István Erdő, the chief recorder of the Unitarian Church; Roman Catholic theology professor and canon of the Gyulafehérvár cathedral Ferenc Tamás; Unitarian theology teacher Dr. Árpád Szabó; and Unitarian Church counselor Lorinc Miko.

The occasion for the conference was the fact that religious affairs minister Dr. Nicolae Stoicescu had invited church leaders to Bucharest for 6 June to discuss the legislative proposal concerning religious affairs.

Conference participants were shocked to find that leaders of the Roman Catholic dioceses in Transylvania were not invited to the Bucharest discussion. Roman Catholic participants requested the protestant bishops to raise this issue at the Bucharest meeting.

The following documents were adopted at the meeting:

"To: Professor Dr. Nicolae Stoicescu, minister of religious affairs, Bucharest

"Based on your invitation received on 30 May we request that you permit us to express [our position]: Enactment of the religious affairs law supposed to regulate the relationship between the state and the church is extremely important from our standpoint.

"We wish to preface our statement by saying that the legislative proposal concerning religious affairs may be developed on the basis of the 1928 and 1948 laws, to be supplemented by rules applied in countries having a

developed religious culture, as adapted to our circumstances. We trust that we will have a chance to study the legislative proposal thoroughly and at the appropriate time, and that we will have an opportunity to contribute in the course of composing and finalizing the proposal.

"We would like to note that the new law must include the basic conditions contained in the Statement of Intent issued on 22 January 1990 by the leadership of the Roman Catholic, Reformed, Council Presbyterian Evangelical and Unitarian churches, and which we handed to you at the Kolozsvár reception on 3 February 1990. In this relation no official position has been conveyed to us to this date. Since we regard this document as the basis for discussion concerning the relationship between the state and the above-named churches, we feel that preparation of the legislative proposal should be preceded by an official state recognition of matters contained in the Statement of Intent.

"The leadership of the Gyulafehérvár, Nagyvárad, Szatmarnémeti [Satu Mare], and Temesvár [Timisoara] Roman Catholic, the Kolozsvár and Nagyvárad Reformed, the Kolozsvár Council Presbyterian Evangelical, and the Kolozsvár Unitarian bishoprics believe that the legislative proposal must include the following principles:

"—The state guarantees the freedom of conscience and religion throughout the country. Anyone may belong to any religion as long as religious practice is in no conflict with the constitution, public order, and good moral conduct.

"—Various denominations should organize on the basis of national laws, within their own respective jurisdictions, on the basis of rules, teachings, canons, and traditions created by themselves, and should organize deaneries, seniorates, parishes, foundations, societies, orders, and congregations on the basis of the same rules.

"—There must be full equality between denominations within the country.

"—Denominations should be free to organize and maintain general and special educational institutions at all levels, such as nursery schools, elementary schools, master apprentice schools, and institutions of higher education.

"—Denominations may maintain direct relations with churches abroad, and with international religious organizations and institutions.

"—Based on their bylaws, denominations may hold congresses, general meetings, conferences, and consultations.

"—Denominations may organize disciplinary courts for adjudications relative to their activities, based on their bylaws.

"—Churches are legal entities, and at the same time dioceses, parishes, foundations, societies, orders, and congregations are also legal entities.

"We offer the help of our experts to contribute to the development and finalizing of the legislative proposal.

"Please accept our expression of high regard for you.

"Kolozsvar 4 June 1990

"Dr. Kalman Csiha; Reformed Church Bishop Jozsef Tempfli; Roman Catholic Bishop D. Laszlo Tokes; Reformed Church Bishop Denes Csiki; director and counsellor D. Pal Szedressy; superintendent Dr. Lajos Kovacs, Unitarian Bishop"

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To: Mr. Nicolae Stoicescu, Minister, Bucharest

Dear Mr. Minister!

Regarding your letter of 10 May 1990, which you forwarded to all the churches, the undersigned leaders of the Kolozsvar and Nagyvarad Reformed, the Council Presbyterian Evangelical, the Unitarian, and the Nagyvarad and Gyulafehervar Roman Catholic bishoprics call your attention to the fact that they have reservations concerning the contents of your letter.

During the past system of bad memories which tied us to the Office of Religious Affairs, our sister churches in the West helped us with various amounts in the form of convertible currencies which we could utilize only with the advance approval of the Office.

In general, this approval was received with several years of delay, or not at all.

At present, when the holding and use of convertible currencies by individuals and by private enterprises is not tied to rules due to the freeing of the economic structures, we were unpleasantly surprised by the return to the old system "pursuant to law," a matter which cannot be reconciled with the intentions of the present democratic system.

In addition, some first class interests of our country demand that as large as possible amounts of freely convertible foreign exchange flow to our country, amounts our churches would convert into Romanian currency by all means.

The fact is that the Finance Ministry approved the free flow of convertible currencies to our country, but the holding and use of foreign exchange is tied to a permit, irrespective of who obtained the foreign exchange and under what circumstances. All this serves to discourage us as well as our sister churches from helping us by way of sending convertible currencies. This matter does not benefit either the country or us.

Consequently, we respectfully request that you retract the contents of your letter No. 425/1990.

Dr. Kalman Csiha; Reformed Church Bishop D. Laszlo Tokes; Reformed Church Bishop D. Pal Szedressy; Superintendent Jozsef Tempfli; Roman Catholic Bishop Denes Csiki; director and counsellor Dr. Lajos Kovacs, Unitarian Bishop

The participating bishops determined that the conference held in Kolozsvar was useful, and that insofar as the future is concerned they wish to hold such meetings on a regular basis. Lorinc Miko, counsellor to the Unitarian Church, was assigned to serve as coordinating secretary at the bishops' conference.

GERMAN DEMOCRATIC REPUBLIC

Motivational Impact of Increased Unemployment Viewed

90GE0134A East Berlin NEUE DEUTSCHE BAUERNZEITUNG in German 11 May 90 p 19

[Interview with Dr. Heinz-Juergen Rothe, psychologist with the Humboldt University (East) Berlin, by Doris Neumann; place and date not given: "Is Fear an Incentive?"]

[Text] [Neumann] Many people are expecting a period of rapid development, many have the spirit of gold-diggers or—the other extreme—many are becoming depressed. One thing is clear: In the immediate future a substantial performance potential will and must be released. If we look more closely at the market models which have been recommended to us, then the risks for individual and entire groups of not being able to be equal to the situation or of failing increase with the new opportunities which sound promising. That is, independent of subjective ability.

[Rothe] At present there are intense fears and uncertainties, even among the peasants. There is the marked competition of the EC market, the uncertain future of the LPG [agricultural producer cooperative] is disquieting, many fear for their jobs and their social security. The older generation, which once again feels betrayed by life, is depressed. But the fact that something might be lost at the same time mobilizes new forces.

[Neumann] Does this mean: In the face of all the pressure, is the necessary substantial performance potential being released at this point in time?

[Rothe] Yes. Pressure or competition encourages performance. Motivation which simply goes beyond insights does not result in the desired effects, this has been demonstrated to us by the unsuccessful attempt at socialist competition. Henceforth, instead of competition there will competitiveness. But it must be deprived of its life-threatening factor. I know that many LPG executive boards will not forget their social conscience upon entering the market economy. Naturally society, the state, must create their own safety net; we need help in retraining, opportunities, for becoming qualified—but

the means to do this must be prepared. There is no getting around a rigorous principle of performance, and we will have to learn to live with competition. Certain factors which traditionally motivate performance become less important, while others become essential.

[Neumann] Can you explain that in greater detail?

[Rothe] If, for example, someone is faced with choosing between having no job at all or one in which conditions are really too awful for him, these days he will be ready to accept even the poor conditions—at least temporarily. A peasant who is justifiably fed up with his LPG's obsolete equipment will very carefully weigh whether or not he will leave the cooperative.

[Neumann] From your perspective what are some of the other incentives which might be valid for doing decent work?

[Rothe] Job security—even in the FRG this is way at the top of the scale of values—conditions on the job, assured income. As development to date shows, performance does not automatically rise with improved production conditions. But it does fall if they get worse. Whether the activity is satisfying, whether it produces success is also decisive. In agriculture such direct satisfaction is relatively easy to have: you see how things grow and thrive and then what the bottom line is. Personal responsibility and one's own opportunities to develop play a role which must not be underestimated. If someone's work is not in keeping with his training, loss of motivation and thus performance sets in. Another aspect is the social climate in the collective. A peasant woman would possibly refuse to collect stones from the field by herself. But she will do it when she is together with other women with whom she can chat. Of course, the character of the manager also influences the will to perform.

[Neumann] Let us talk about money, about pay.

[Rothe] The less demanding the work is, the more essential wages become—that has been our experience. With increasing qualifications the importance of the kind of work grows. But these should not lead to the conclusion that money is then no longer important.

[Neumann] There would be no contesting the fact that a really adequate assessment of and compensation for performance in our country have gotten lost. Since many people as a group received the same amounts, the stimulating effect of bonuses and similar kinds of money was lost.

[Rothe] For years there was a search for a functional method of compensation which depended on performance, even in agriculture. But then often considerations of "fairness" were given preference over economic arguments. Just to give a simple example: Someone has sprained his arm. Nonetheless, continuing to pay him as if he were doing the full job would be evidence of social compassion. But frequently just being present is still compensated, given the array of such

regulations. Anyone who thinks of competition under conditions of competitiveness must not give up his social ambitions, but he should note that criteria for a real assessment of performance must be sought among the strongest, not the weakest. It is commendable to discuss such criteria in public. From a psychological point of view: Talk first about the criteria, then about the associated money. As life shows, otherwise modest differences, a silly 10 marks more, for example, which the person next to you gets, can raise hackles.

[Neumann] The Germans from the other republic, even the farmers, are often amazed as what we call hard work. Have we forgotten how to work efficiently and well, or are our standards simply incorrect?

[Rothe] Both. Poor working conditions and organization have resulted in regressive mechanisms which, of course, are psychologically understandable, but are harmful to the economy. Take a mechanic: He wants to repair something, but he does not have the material. He uses the time until it arrives for shopping. The process is repeated; one day his private affairs occupy him even more than when the material is at hand. Poor work organization spoiled him. There are a number of reasons why performance is not realized. This is publicly deplored, but many have become very well established in these conditions. In the FRG no one gets the idea of going to the barber during working hours or taking a "quick run" home because coal is being delivered. It would not make much sense to appeal to the consciousness. Only when conditions are different are demands possible, because then they can also be realized.

[Neumann] You have mentioned managers several times. Are they at all equal to the new demands?

[Rothe] In the manager training programs in the West there are also training courses on behavior. They have a certain significance; however, they should not be overrated. A manager must not be an amateur psychologist but must be thoroughly aware of the impact of his personality on his fellow workers. Technical competence and experience continue to be essential, there can be no substitute for them. Otherwise every decision is blemished by the question: What on earth has he thought up this time...? Now, since many enterprises are restructuring or refocusing, it is important to know that each of us has subjective ideas of what he would like to accomplish. A manager is well advised to find that out and utilize it. More than ever he needs moral courage because there are also unpopular decisions which require expert knowledge pending almost everywhere. Eliminating it because it is more pleasant to follow the path of least resistance would be disasterous, the seed of new acts of dishonesty... With respect to demands for higher wages, it has to be made clear what can and cannot be done. Even at the risk of no longer being so popular. A manager should have the fortitude to say with whom he is prepared and not prepared to discuss specific questions. It must be permissible to characterize ignorance as such.

HUNGARY

Head of Largest Workers' Council Views Factory Management

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[Article by "G.R.": "Ferenc Streer Says"—first paragraph is VILAG introduction]

[Text] I met him at the national conference of workers' councils, in late April. That movement has been in existence for about 12 to 18 months and now has between 25,000 and 30,000 members. Ferenc Streer is chairman of the largest workers' council.

I was born in 1945, in Austria. My mother was a Hungarian, my father was of Austrian extraction. Because they both had been employed by a Western firm, MAHART [Hungarian Shipping Company] did not take them over. That is how they ended up working for the Dredging Enterprise, helping to build the Eastern Main Canal. Then we moved to Ozd. I lived seven years in Ozd, and also qualified as an electrician there.

I did not like those seven years. In school they never let me forget that I was an ethnic German. What was I doing there?! I was 11 in 1956. I did not like what I saw. I did not like the mood of the crowds, the fact that the masses could be led in any direction. I found out only much later what had actually happened in the 1950's. My parents had not dared to speak about those things, lest I let something slip. It was bad enough that I was of ethnic German extraction.

Then I came to Budapest. That was already in 1962. Two years later I found employment with Ikarus. The large enterprise appealed to me, and I already had my driver's license. I was called up from there for military service. In 1967, after my discharge, I came into contact with the KISZ [Hungarian Communist Youth League]. Some easing of the situation was perceptible at that time, and my anger, too, had subsided. And perhaps to show that I, too, was worth as much as the others. My colleagues and foremen were normal, and I joined them. That was how I was eventually placed in charge of voluntary work. One had to work. I was young and willing to do things.

I volunteered to go to work in the GDR for two years. The two years became nearly seven, in Chemnitz that up to now was called Karl-Marx-Stadt. At first I worked as an electrician. In the third year, because I spoke German well, I was assigned the task of helping the newly arriving young Hungarian workers. That is how I became the overseer of a bunkhouse for 60 Hungarian workers.

I returned to Ikarus in 1975 and was assigned to preventive maintenance. What I learned there I attempted to implement in practice, in work organization and production. We tried it, and it worked. In the wake of these attempts, I gained the confidence of my fellow workers. They elected me shop steward, and subsequently

chairman of the shop's trade-union committee. In 1982, I became chief steward, as an unpaid volunteer. I have been serving as chief steward to this day, and will continue to do so as long as there is anyone to represent. They elected me, and that is my job, even if I do not agree with the trade-union leadership.

At the time of the Grosz government, we happened to criticize the government's policies at a trade-union meeting. I have been guarding the minutes of that meeting to this day. We objected that we had not been consulted on the [income] tax bill and were dissatisfied with it. We demanded a multiparty system, the withdrawal of Soviet troops, and neutrality for Hungary. Instead of sending them on, the enterprise's trade-union leaders sat on the demands that 60 workers had unanimously adopted. When I found that out, I introduced a motion of no confidence in the leading chief steward. But when it came to a vote, the other five stewards did not raise their hands. A few days later, however, the Interior Ministry took me for a ride one morning. I was not harmed. They questioned me about my contacts and about which dissidents I knew. I found out later that similar demands had been formulated at the Ganz Factory and in the shipyard. But all this happened in an isolated manner, and spontaneously.

This incident clearly showed me that the trade-union movement was not worth anything. I attempted to find an opening in a different direction. We had heard about the free trade-union movement. Thus, in the autumn of 1988, we began to organize the Solidarity Trade Union. There were 240 of us, mostly from our factory unit. The men were afraid. They had been warned that they would get no bonuses, and would be the first ones to be laid off if they joined any other trade union. Unfortunately, I had been in contact with that branch of Solidarity which soon merged into the SZDSZ [Alliance of Free Democrats]. But I want the safeguarding of the workers' interests, a free movement, not a political party. A workers' council remained our last chance.

I sought out each of the 240 men and explained to them why workers' councils were formed in 1956: to protect the property of the workers, the assets they had created since 1945. And to wield real power. An interview on this subject appeared in the plant's newspaper—I contributed regularly to it, under a rubric entitled "From a Steward's Diary"—but on the facing page the composition of the 1956 workers' council was presented in detail, with the time spent in prison and the crime for which the sentence was imposed appearing after each name. In other words, a warning that the same thing would happen to us as well. But this move backfired: Many workers sought me out thereafter to announce that they wanted to join the workers' council. Our strength grew.

To my mind, the designation "workers' council" is symbolic, because we welcome not just blue-collar workers, but also wage and salaried employees. We need specialists and intellectuals, people who would be able to take over management at any time. Within our present

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SOCIAL

membership of 1,200 there are about 100 nonworkers. They represent us in negotiations with management, where specialists are needed. I happened to clarify that just today, when management informed me that henceforth the workers' council could also attend the meetings of the enterprise council.

Earlier, our first contact with management occurred in February of this year, when it was suddenly announced that we would be shutting down. Specifically on the advice of our specialists, we immediately went into action. On posters we demanded "A Changeover Instead of a Shutdown. We Want To Work!" Management was surprised and asked us to list our ideas. We did. Management is now beginning to carry out—to its own taste, of course—the reorganization that we proposed. But at least our ideas have been taken into consideration. When we were still organizing, management obstructed us in every way it could. My locker and drawer were opened in my absence, to find some kind of document. But the Interior Ministry car ride had taught me a lesson, and I had taken all documents home earlier. Later I learned that management had suspended me from my job, but then revoked the suspension because, being a shop steward, my job was protected.

It was back in February that I informed management of what I had read, in the West German journal AUTO-BILD, about the plans of Mercedes to build Europe's largest bus factory in Budapest, in cooperation with Ikarus. The cornerstone was to have been laid in the spring of this year. Management was surprised; it had heard nothing about this, and therefore the report could only be a false rumor. I did not trust this answer and decided to look into the matter. To go to the FRG. For if the news report proved correct, then the problems of Ikarus would be solved. Moreover, Kohl was planning to campaign in Chemnitz about then, and I had contacts there. I heard that Mercedes would be taking over IFA if the elections were successful. I thought that perhaps something could be gained for Ikarus through such a takeover. So I set off, without any credentials because the enterprise was not sponsoring my trip. Furthermore, my factory pass is such that anyone could easily forge one. I started out on the AUTOBILD lead. It turned out that the journal had taken over the report from another newspaper. I called that paper and was referred to the Mercedes press relations department. There I was asked whether I had credentials. In the absence of credentials, they regretfully could not help me, but they advised me to get the material from the newspaper that had referred me to Mercedes. In the end I did get the entire material from that newspaper. Unfortunately, I was unable to establish contact with Mercedes. To tell the truth, I was a bit naive.

Because I did not succeed in talking with Kohl, either. I did attend the local election rally, but my friends dissuaded me. My idea was that the GDR owes the Soviet

Union a huge amount, which is common knowledge. On the other hand, Hungary has a trade surplus with the Soviet Union. If Hungary could get, in West German marks, the installments that the GDR owes the Soviet Union, that would solve all our problems. That is what I would have told Kohl. I thought the idea had some merit. The material I received from the newspaper was about a draft contract, prepared at the time of Miklos Nemeth's visit there last summer. The draft contract was for 10,000 commercial vehicles and buses. Why did the management of our enterprise not know about this? I gave the material to the secretariat. A week later came the reply from the Ministry of Industry that such a contract had not been concluded. That was all. I am saving a copy of that letter. Through the National Federation of Workers' Councils, I tried to get an appointment with Miklos Nemeth. But that was the week before the elections. Word came back that he had no time then.

Privatization has started. We are not against privatization. What we object to is that specifically we who created all the assets have been left out of it. We are entitled to a share of the assets. We paid for everything that has been built here. It was taken out of our wages and profit-sharing. We consider between 40 and 45 percent to be our fair share. That is the basis for negotiations. The country must not be sold off in a clearance sale, at our expense. And let us also examine who caused our bankruptcy. We also contacted the former owner of Ikarus, whose factory had been nationalized. He is now living in South America. He said he would be willing to relinquish his rights as owner if we guaranteed a pension for him. If he relinquishes his rights on behalf of the workers, then we automatically would be entitled to a certain proportion of the assets.

We are an official, registered organization and wish to employ legal means. But if management refuses to recognize us, then—as a last resort—we will take over the factory's management. I said so at the latest session of the enterprise council. In our opinion, the enterprise council is not functioning effectively and is not representing the workers' views. Therefore the workers' council will take over the enterprise council's authority, in a revolutionary manner if necessary. The enterprise's legal counsel taunted us to show how strong we were. What lies behind this is that management does not believe, does not suspect how many of us there are. And we, to tell the truth, still fear that we might lay ourselves open. As long as there is no lawful government to protect us, who are living on our wages and salaries. Unfortunately, we have no representation in Parliament, although we sorely need to be represented when legislation is passed. The law does not protect us. Up to now we have always been merely mentioned. If that continues, the government will be turned out. We refuse to give in any longer.

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